

TFIN50

Financial Accounting I part 1

**PARTICIPANT HANDBOOK
INSTRUCTOR-LED TRAINING**

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American English is the standard used in this handbook.

The following typographic conventions are also used.

This information is displayed in the instructor's presentation



Demonstration



Procedure



Warning or Caution



Hint



Related or Additional Information



Facilitated Discussion



User interface control

Example text

Window title

Example text

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Course Overview

TARGET AUDIENCE

This course is intended for the following audiences:

- Application Consultant
- Business Analyst

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UNIT OBJECTIVES

- Create a company code
- Use the organizational units in FI
- Assign a company code to a controlling area
- Check the basic settings in new G/L Accounting
- Outline the key functionality of variants
- Manage fiscal year variants

- Identify the basic functionality of currency keys and exchange rate types

Unit 1

Lesson 1

Managing Organizational Units in Financial Accounting (FI)

LESSON OVERVIEW

In this lesson, you learn the fundamentals of company codes and how to create them.

Business Example

You have a client who works for a medium-sized enterprise, which is a single legal entity. You need to create and assign a new company code for the client. For this reason, you require an understanding of the following:

- Company codes
- Organizational units
- Controlling areas



LESSON OBJECTIVES

After completing this lesson, you will be able to:

- Create a company code
- Use the organizational units in FI
- Assign a company code to a controlling area

Organizational Units in FI

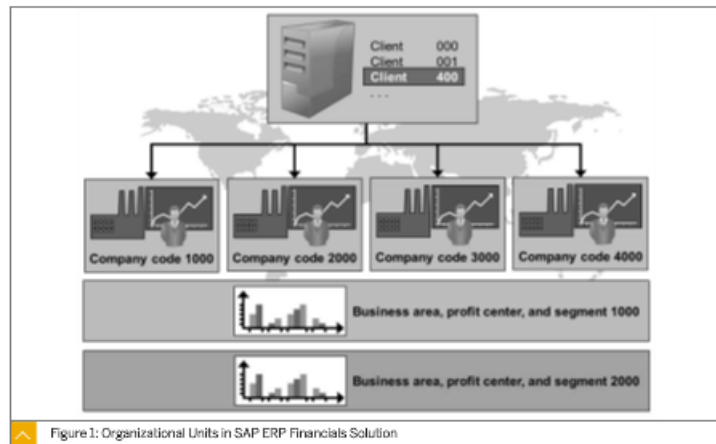


Figure 1: Organizational Units in SAP ERP Financials Solution

In the hierarchy of an SAP ERP application, a client occupies the highest level.

Each client is an independent unit that contains separate master records, a set of tables, and data. In business terms, the client level corresponds to a corporate group or a group of affiliated companies. Data entered at the client level is valid for all organizational units of the client. In addition, data defined at the client level does not have to be redefined at any other level. Relevant information or data, such as exchange rates, can be entered at the client level.

A company code represents an independent legal accounting entity, such as a company, with independent accounts within a corporate group. Financial statements required by law are created at the company code level. The company code is the minimum structure necessary in the SAP ERP Financials solution.

In an international business, operations are spread across different countries. The governments and tax authorities of each country require that these activities be represented by a separate legal entity. In such a situation, a separate company code is created for each country.

For every organization that has a financial statement and a profit and loss (P&L) statement, a company code is created and stored in the SAP application.

To log on to the SAP system through the SAP GUI, a user must possess the following elements:

- A client key
- A user master record in the client

In the system hierarchy, a company code is the most important organizational unit of financial accounting.

Creation of a Company Code



- To create a company code, copy an existing company code using the *Copy, delete, check company code* function. This copies the following data:
 - Definition
 - Global parameters
 - Customizing tables
 - General Ledger (G/L) accounts (if desired)
 - Account determination

Parameters of a Company Code



- Defining a company code
 - Four-digit alphanumeric company code key
 - Company name
 - City
 - Country
 - Currency
 - Language
 - Address
- Setting global parameters
 - Chart of accounts
 - Fiscal year
 - Company code defaults

Select a four-digit alphanumeric key as the company code key. This key identifies the company code and must be entered whenever you post business transactions or create master data that is specific to the company code.

After this, all you have to do is make the required changes to the new company code.

Company Code

The Edit Company Code Data function allows you to edit the following objects:

- Address data: The address data is required for correspondence and is recorded on evaluation reports.

- **Currency:** A currency is required for each company code. Accounts are managed in the company code currency. All other currencies are interpreted as foreign. The system translates the amounts posted in a foreign currency into the company code currency. The currency defined in the company code is known in SAP ERP Financial solutions as the local currency.
- **Language key:** A language key enables the system to display texts automatically in the correct language; for example, when issuing checks.
- **Country key:** A country key specifies the country to be regarded as the home country. The system interprets all other countries as foreign. This is important for business or payment transactions because different forms are required for foreign transactions. The system also supports different address formats for foreign correspondence.

Country Templates

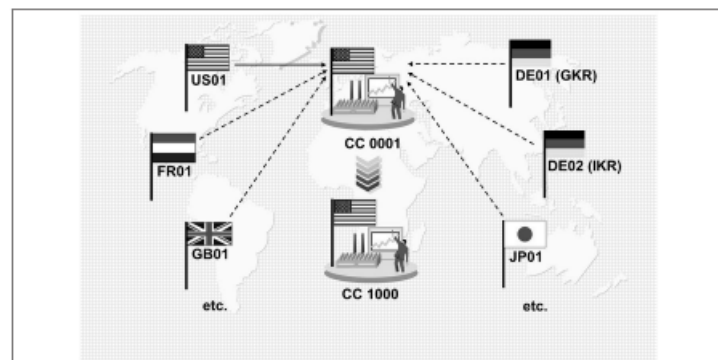


Figure 2: Country Templates

In the SAP ERP application, company code 0001 is a template for a general company code with the international chart of accounts INT and no special country specifications.

If you need a company code for a country that has a country template, use the country installation program to copy the country-specific tables from the country template to company code 0001. This installation program configures company code 0001 for the corresponding country. Copy this company code into your new company code.



Hint:

Besides creating a country-specific company code template, the country installation program can also create a country-specific template for objects such as controlling areas, plants, purchasing organizations, sales organizations, credit control areas, and financial management areas.



Caution:

Do not use company code 0001 as your productive company code because the country version program always uses this company code as the target company code.

Run the country installation program only in an initial installation of SAP ERP. Avoid running the country installation program in an upgrade because the structure of the country-specific Customizing feature may change from one SAP ERP release to another.

Unit 1

Exercise 1

Create a Company Code

Business Example

Your client works for a company that is part of a group. The headquarters of the company are in the country in which the course is being conducted.

Create company code GR## that reflects the company that your client works for. You require this company code for other exercises in the course. Retain the company code currency as EUR, unless you receive instructions to the contrary from your instructor.

In this exercise, when the values include ##, replace the characters with the number that your instructor assigned you.

Copy an Existing Code and Edit the Copied Company Code

1. Company code 1010 already contains all the necessary settings and data. Copy company code 1010 to your new company code GR##.



Note:
In addition, copy the general ledger accounts at this point.

2. Change the definition of your company code GR## using the following data:

Field Name or Data Type	Value
Company Name	Group ##
City	Any city
Country	Course country
Currency	EUR
Language	Local language

You can fill the other fields to meet your requirements.

Create a Company ID for Your Company Code

1. Create a company ID GE## for your company code/company.



Note:
Your company is part of a group and is identified with a company ID allocated by the group. GE## is the company ID of your company code in the group.

Unit 1 Solution 1

Create a Company Code

Business Example

Your client works for a company that is part of a group. The headquarters of the company are in the country in which the course is being conducted.

Create company code GR## that reflects the company that your client works for. You require this company code for other exercises in the course. Retain the company code currency as EUR, unless you receive instructions to the contrary from your instructor.

In this exercise, when the values include ##, replace the characters with the number that your instructor assigned you.

Copy an Existing Code and Edit the Copied Company Code

1. Company code 1010 already contains all the necessary settings and data. Copy company code 1010 to your new company code GR##.



Note:
In addition, copy the general ledger accounts at this point.

- a) On the *SAP Easy Access* screen, choose *SAP Menu* → *Tools* → *Customizing* → *IMG* → *Execute Project*. Alternatively, enter transaction code *SPRO*.
- b) In the application toolbar, choose the *SAP Reference IMG* button.
- c) On the *Display IMG* screen, choose *Enterprise Structure* → *Definition* → *Financial Accounting* → *Edit, Copy, Delete, Check Company Code*.
- d) Double-click *Copy, delete, check company code*.
- e) On the *Organizational object Company code* screen, choose *Organizational object* → *Copy org. object*.



Note:
You can also choose *Copy org. object* from the application menu.

- f) Enter the following information in the *Copy* dialog box:

Field Name or Data Type	Value
From Company Code	1010

Field Name or Data Type	Value
To Company Code	GR##

g) Choose **Enter**.

h) The following dialog boxes appear:

Dialog Box	Message	Action
G/L accounts in company code GR##	Only copy the G/L accounts if you want to allocate the same ch/accts to the target company code as to the source company code. Do you want to copy the G/L account company code data?	Yes
Change local currency	The reference company code has local currency EUR. If you allocate a different local currency to the target company code, G/L accounts with currency EUR are also changed. Do you want to allocate a different local curr. to target company code?	No

i) To confirm the other warning messages that appear on the screen and continue with copying, choose **Enter** twice.

2. Change the definition of your company code GR## using the following data:

Field Name or Data Type	Value
Company Name	Group ##
City	Any city
Country	Course country
Currency	EUR
Language	Local language

You can fill the other fields to meet your requirements.

- On the **Display IMG** screen, choose **Enterprise Structure → Definition → Financial Accounting → Edit, Copy, Delete, Check Company Code**.
- Double-click **Edit Company Code Data**.

c) Select **GR##** and double-click to open.

d) On the **Change View "Company Code": Details** screen, enter the following values:

Field Name or Data Type	Value
Company Name	Group ##
City	Any city
Country	Course country
Currency	EUR
Language	Local language

e) Choose **Table View → Save**.

Create a Company ID for Your Company Code

1. Create a company ID GE## for your company code/company.



Note:
Your company is part of a group and is identified with a company ID allocated by the group. GE## is the company ID of your company code in the group.

a) On the **Display IMG** screen, choose **Enterprise Structure → Definition → Financial Accounting → Define Company**.

b) Choose **Edit → New Entries** and enter the following values:

Field Name or Data Type	Value
Company	GE##
Company name	Company group ##
Street	Your choice
PO Box	Your choice
Postal code	Your choice
City	Your choice
Country	Course country
Currency	Same as company code currency (EUR)

c) Choose **Save**.

Additional Organizational Units in FI

Besides the company code, there are other organizational units that are also important in Financial Accounting. However, unlike the company code, these organizational units are optional elements.

The decision to use these organizational units can be based on legal or internal accounting requirements.

The final decision depends on the answers to the following questions:

- For which company areas or segments is separate reporting required?
- For which fields of activity or responsibility area does a separate financial or profit and loss statement have to be created?

Many organizational units can be used for these reporting requirements: profit centers, business areas, and segments are a few examples. Your choice of units depends on your requirements. For example, you may like to consider the elements that you have used in the past.

Important Organizational Units in Financial Accounting

- Profit center

A profit center evaluates the success of independent areas that are responsible for costs and revenues within a company. You decide whether you need to create only a profit and loss statement at the profit center level (document breakdown not active), or a financial statement (document breakdown active) along with it.

- Segment

A segment is a division of a company for which you can create financial statements for external reporting. Certain accounting principles, for example U.S. GAAP (SFAS 131) and IFRS (IFRS 8), require companies to perform segment reporting. You can define segments in your SAP system for this purpose and provide information on the financial results of these business segments.

- Company

Financial Accounting records are consolidated at the level of the company. A company can be assigned one or more company codes, which are then taken into account for consolidation. A consolidation parent can allocate company IDs to its subsidiaries. For example, one subsidiary may be allocated 1000 as a company ID, while another may be allocated 2000. Specifying the company ID helps in business processing, mapping, and showing the relationship within a group.

- Functional area

In cost-of-sales accounting, overhead costs are reported according to the functional areas in which they are incurred.

- Business area

A business area represents separate areas of operation within an organization and can be used across company codes. A business area is a balancing entity that can create its own set of financial statements, which can be used for internal or external purposes. You can save and

evaluate transaction figures for each business area. Examples of business areas include training, consulting, and software development.

Selection of Organizational Objects

The answers to the following questions can help clients select organizational objects in accounting and use them as templates:

- What is the most important accounting principle used in my enterprise?
- Which accounting principles are used for internal or external figure-reporting in my enterprise?
- Does my company structure its P&L statement according to total costs or cost-of-sales accounting?
- Is my company obliged to issue segment reporting?
- Does my company have to issue a consolidated financial statement?

International Accounting Requirements



Table 1: International Accounting Requirements

Topic	Recommended Procedure	Known Alternative Procedure
Period accounting	Cost types (revenue and expense types)	None
Cost of sales accounting	Functional areas	Separate accounts (not recommended)
Segment reporting	Segments derived from profit center	Profit center
		Business areas
		Profitability analysis
Preparation for consolidation	Companies/trading partners	Separate accounts (not recommended)
Parallel accounting (for example, local and international law)	Ledger approach or accounts approach (approaches are regarded as equivalent)	Representation via the Special Purpose Ledger (FI-SL) function
		Separate company codes (not recommended)

Each of the topics represents different reporting requirements and the recommended procedures for selecting organizational elements to meet their respective requirements. For example, to report on cost of sales accounting, you need to use the functional area.

Customers who wish to draw up financial statements by profit centers or segments have to activate document splitting.

**Caution:**

The SAP standard segmentation scenario (SAP Note 1035140) derives segments from the profit center. (Management Approach: Use of segments for external reporting in accordance with legal obligations and use of profit center accounting in the new G/L Accounting for internal company controlling.)

Unit 1

Exercise 2

Assign a Company ID to the Company Code

Business Example

You need to assign company ID GE## to your company code GR##.

Check the global settings of your company code GR##, in particular the settings for the business area financial statements. Assign the new company ID (GE##) to your company code (GR##).

1. Display the global parameters for your company code. Assign the company ID GE## to your company code GR##.
2. Display the *Business area fin. statements* setting in the global parameters of your company code. Use the Help Function (F1) to aid your understanding.

Assign a Company ID to the Company Code

Business Example

You need to assign company ID GE## to your company code GR##.

Check the global settings of your company code GR##, in particular the settings for the business area financial statements. Assign the new company ID (GE##) to your company code (GR##).

1. Display the global parameters for your company code. Assign the company ID GE## to your company code GR##.
 - a) In Customizing, choose *Financial Accounting (New)* → *Financial Accounting Global Settings (New)* → *Global Parameters for Company Code* → *Enter Global Parameters*.
 - b) Double-click your company code GR##.
 - c) In the *Accounting organization* screen area, enter your company ID GE## in the *Company* field.
 - d) Choose *Save*.
2. Display the *Business area fin. statements* setting in the global parameters of your company code. Use the Help Function (F1) to aid your understanding.
 - a) In the *Processing parameters* screen area, select the *Business area fin. statements* field.
 - b) Press F1. The *Performance Assistant* dialog box appears and displays an explanation for the function.

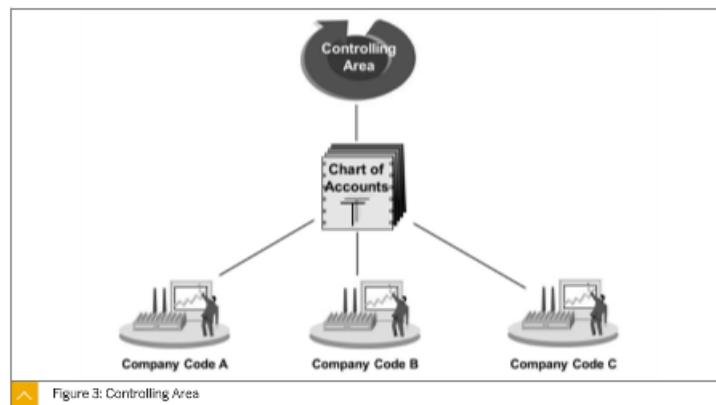


Note:
Business area financial statements:

Use: When you set the *Business area fin. statements* indicator, the *Business area* field is ready for input when you post documents, regardless of the field controls for keys and accounts. When you set this indicator, the required entries are made in the Controlling (CO), Materials Management (MM), and Sales and Distribution (SD) components.

- c) Close the *Performance Assistant* dialog box.

Assignment of Company Codes to Controlling Areas



The controlling area is the most important organizational element in Controlling. A controlling area identifies a self-contained organizational structure for which costs and revenues can be managed and allocated. It represents a separate unit of cost accounting.

More than one company code can be assigned to a single controlling area. This enables cost accounting across the assigned company codes.

However, assigning more than one company code to the same controlling area is only possible if all the assigned company codes use the same operating chart of accounts and have the same fiscal year variant.

Unit 1

Exercise 3

Assign a Company Code to a Controlling Area

Business Example

You have created company code GR##. You want to assign it to a controlling area so that you can perform Management Accounting functions. To perform cross-company code controlling with other company codes, you need to assign company code GR## to controlling area 1000.

1. Assign company code GR## to controlling area 1000. Controlling area 1000 is already present in your company and you only need to assign the company code to it.

Assign a Company Code to a Controlling Area

Business Example

You have created company code GR##. You want to assign it to a controlling area so that you can perform Management Accounting functions. To perform cross-company code controlling with other company codes, you need to assign company code GR## to controlling area 1000.

1. Assign company code GR## to controlling area 1000. Controlling area 1000 is already present in your company and you only need to assign the company code to it.
 - a) In Customizing, choose *Enterprise Structure* → *Assignment* → *Controlling* → *Assign company code to controlling area*.
 - b) On the right pane of the screen, select the row with controlling area 1000 (COAr 1000).
 - c) On the left pane of the screen, double-click *Assignment of company code(s)*. The assigned company codes appear on the right pane of the screen.
 - d) Choose *Edit* → *New Entries*.
 - e) Enter your company code **GR##** manually or select it by pressing F4.
 - f) Press ENTER. The name of your company code displays.
 - g) Choose Save.



LESSON SUMMARY

You should now be able to:

- Create a company code
- Use the organizational units in FI
- Assign a company code to a controlling area

Checking the Basic Settings in New General Ledger (G/L) Accounting

LESSON OVERVIEW

This lesson shows you how to check the basic settings in new General Ledger (G/L) Accounting.

Business Example

A company must be configured in Customizing. To ensure compliance with all the requirements, you must configure the required basic settings for new G/L Accounting.

To carry out customizing for new G/L Accounting, you must define the entities. For example, you may need financial statements for a specific profit center segment to enable segment reporting, which is aimed at IFRS requirements. Reporting of financial information could be based on business line, geography, and specific profit centers.

In addition, new G/L Accounting enables parallel accounting, or parallel valuation approaches, with the use of multiple general ledgers. For this reason, you require an understanding of the following:

- The accounts approach and the ledger approach
- The basic settings in new G/L Accounting
- How to activate non-leading ledgers and associate them with particular business situations using scenarios



LESSON OBJECTIVES

After completing this lesson, you will be able to:

- Check the basic settings in new G/L Accounting

Leading Ledger and Non-Leading Ledgers in New General Ledger (G/L) Accounting



Ledger Name	Transaction Table	Leading
01, IFRS/Leading Ledger	FAGLFLEXT	☒
02, US-GAAP	FAGLFLEXT	☐
03, Local GAAP	FAGLFLEXT	☐

Leading Ledger =
Group Ledger

Example:

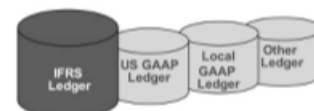


Figure 4: Leading Ledger and Non-Leading Ledgers in New G/L Accounting

The leading ledger OL and the totals table FAGLFLEXT are part of the standard SAP system, meaning they are delivered by SAP. In addition to the leading ledger, you can also define other non-leading ledgers for local regulations. This approach is known as the ledger approach in the new G/L.



Note:

As of EHP 7 for the SAP ERP application, you can configure a ledger other than OL as the leading ledger.

Each client can have only one leading ledger. The client can also have additional ledgers, which are known as non-leading ledgers. All company codes are assigned to a leading ledger for each client. This ledger contains the group valuation view and comes with the application by default. Furthermore, you cannot 'deactivate' the leading ledger because all the company codes are automatically assigned to it. The leading area of asset accounting (that is, area 01) is always assigned to the leading ledger. Only values from the leading ledger are posted to Controlling (CO) in the standard system.

The non-leading ledgers are parallel to the leading ledger and are manually activated per company code. For example, one of the non-leading ledgers may be used to depict local accounting principles. The fiscal year variant and the second or third parallel currency of the non-leading ledgers do not have to be the same as that of the leading ledger.

The leading ledger reflects the accounting principles used to draw up consolidated financial statements. It is integrated with all the subledgers and is updated in all the company codes.



Note:
A non-leading ledger can be used for each local accounting principle.

In addition to the ledger approach, there is also the accounts approach. In this approach, different valuation approaches and valuations are posted to different accounts. When financial statements are prepared, the system determines which accounts are relevant and need to be evaluated as defined in the 'financial statement version'. This approach to parallel accounting also works for SAP systems using classic G/L Accounting.

Accounts Approach versus Ledger Approach

The differences between the accounts approach and the ledger approach are listed in the following table:



Table 2: Accounts Approach versus Ledger Approach

Accounts Approach	Ledger Approach
Specific account groups for each GAAP -> complex chart of accounts structure	No specific accounts area -> no change to chart of accounts
Minimum one retained earnings account for each GAAP	Minimum one retained earnings accounts for all GAAPs
Complex financial statement definition	Standard financial statement definition
Relevance of postings for local or international GAAP specified at the account level	Relevance of postings for local or international GAAP specified at the document level
All valuation approaches can be posted to Controlling	Only the leading valuation can be posted to Controlling

It is important to note that the accounts approach and the ledger approach are equally recommended by SAP.

New G/L Accounting Scenarios



Scenarios provided by SAP with SAP ERP 6.0:

- **Cost Center Update (FIN_CCA)**
 - Update of sender cost center and receiver cost center fields
- **Preparation for Consolidation (FIN_CONS)**
 - Update of consolidation transaction type and leading ledger field
- **Business Area (FIN_GSBER)**
 - Update of posting partner business area and receiver business area fields
- **Profit Center Update (FIN_PCA)**
 - Update of profit center and partner profit center fields
- **Segment Reporting (FIN_SEGM)**
 - Update of segment, partner segment and partner segment fields
- **Cost of Sales Accounting (FIN_UKV)**
 - Update of partner business area and receiver financial area fields

Ledgers:
Leading ledger (1)
Non-leading ledger (2-3)
Non-leading ledger (3-5)
...

Figure 5: Scenarios – Definition and Assignment

A scenario defines which fields are updated in the ledgers (in the general ledger view) during a posting (from other application components). The fields updated by the scenarios can be used to map certain business requirements, such as segment reporting. The scenarios are available in new G/L Accounting.

You cannot define your own scenarios. The scenarios provided are assigned to the ledgers in Customizing.



Note:
You can assign a leading ledger to one or more scenarios, or even all six at once. The number of scenarios you decide to assign depends solely on the business aspects you want to map in new G/L Accounting.

You do not necessarily have to define non-leading ledgers. This means that scenarios do not have to be assigned to non-leading ledgers either.



Caution:
You do not need a ledger for each scenario!
Multiple or non-leading ledgers are useful for portraying accounting in accordance with different accounting principles.

Unit 1

Exercise 4

Check the Basic Settings in New G/L Accounting

Business Example

You want to verify the ledgers of new G/L Accounting. You also want to verify the scenarios assigned to the leading ledger *0L* and check whether ledgers *L5* and *L6* are allowed for the company code *GR##*.

1. Check the Customizing settings to find out the ID of the leading ledger and the totals table where the values are saved.
2. Verify the scenarios assigned to the leading ledger *0L*.



Caution:

Control exercise – Do not change the system configuration!

3. Check whether ledgers *L5* and *L6* are allowed for the company code *GR##*.
4. In the non-leading ledger *L5*, you want to map *Segmentation* and a profit and loss statement based on *Cost of Sales Accounting*. Check whether this is possible.

Check the Basic Settings in New G/L Accounting

Business Example

You want to verify the ledgers of new G/L Accounting. You also want to verify the scenarios assigned to the leading ledger **0L** and check whether ledgers **L5** and **L6** are allowed for the company code **GR##**.

1. Check the Customizing settings to find out the ID of the leading ledger and the totals table where the values are saved.

- a) In Customizing, choose *Financial Accounting (New) → Financial Accounting Global Settings (New) → Ledgers → Ledger → Define Ledgers for General Ledger Accounting*.

- b) Verify the following data:

Field Name or Data Type	Values
Ld (Ledger)	0L
Totals Table	FAGLFLEXT

2. Verify the scenarios assigned to the leading ledger **0L**.



Caution:

Control exercise – Do not change the system configuration!

- a) In Customizing, choose *Financial Accounting (New) → Financial Accounting Global Settings (New) → Ledgers → Ledger → Assign Scenarios and Customer Fields to Ledgers*.

- b) Select ledger **0L**.

- c) On the left pane of the screen, double-click **Scenarios**. The following scenarios will become visible:

Scenarios for New General Ledger Accounting	Long Text
FIN_CONS	Preparations for Consolidation
FIN_GSBER	Business Area
FIN_PCA	Profit Center Update
FIN_SEGM	Segmentation

Scenarios for New General Ledger Accounting	Long Text
FIN_UKV	Cost of Sales Accounting

- d) Choose **Exit**.

3. Check whether ledgers **L5** and **L6** are allowed for the company code **GR##**.

- a) In Customizing, choose *Financial Accounting (New) → Financial Accounting Global Settings (New) → Ledgers → Ledger → Define and Activate Non-Leading Ledgers*.

- b) In the *Determine Work Area: Entry* dialog box, choose the button next to the text box.

- c) In the *Ledger in General Ledger Accounting (1)* dialog box, select **L5 Non-leading ledger (INT)**.

- d) Choose **Continue**.

- e) Repeat steps (a) to (e) to check for ledger **L6**.

- f) Choose **Back**.

4. In the non-leading ledger **L5**, you want to map *Segmentation* and a profit and loss statement based on *Cost of Sales Accounting*. Check whether this is possible.

- a) In Customizing, choose *Financial Accounting (New) → Financial Accounting Global Settings (New) → Ledgers → Ledger → Assign Scenarios and Customer Fields to Ledgers*.

- b) Select ledger **L5**.

- c) On the left pane of the screen, double-click the **Scenarios** entry. The following scenarios will become visible:

Scenarios for New General Ledger Accounting	Long Text
FIN_CONS	Preparations for Consolidation
FIN_GSBER	Business Area
FIN_PCA	Profit Center Update
FIN_SEGM	Segmentation
FIN_UKV	Cost of Sales Accounting

- d) Choose **Exit**.

**LESSON SUMMARY**

You should now be able to:

- Check the basic settings in new G/L Accounting

Unit 1

Lesson 3

Outlining the Variant Principle

LESSON OVERVIEW

This lesson provides a theoretical overview of the functionality of the variant principle in the SAP ERP application.

Business Example

A consultant informed your client about a principle in SAP ERP that appears in several configuration tables. This principle simplifies the SAP ERP application for the customer. For this reason, you require an understanding of the benefits of the variant principle.

**LESSON OBJECTIVES**

After completing this lesson, you will be able to:

- Outline the key functionality of variants

Variant Principle

The use of variants makes it easier to maintain properties that are common among several business objects.

The variant principle is a three-step method used in SAP ERP to assign particular properties to one or more objects. The three steps are:



1. Define the variant.
2. Define values for the variant.
3. Assign the variant to the SAP ERP objects.

The variant principle is used for the following:



- Field status
- Posting periods
- Fiscal year variants

**LESSON SUMMARY**

You should now be able to:

- Outline the key functionality of variants

Managing Fiscal Year Variants

LESSON OVERVIEW

This lesson explains how to create and maintain fiscal year variants.

Business Example

The fiscal year of a company corresponds to the calendar year. You need to meet the requirements set by the Accounting Manager who wants four special periods for postings for year-end closing. For this reason, you require an understanding of the following:

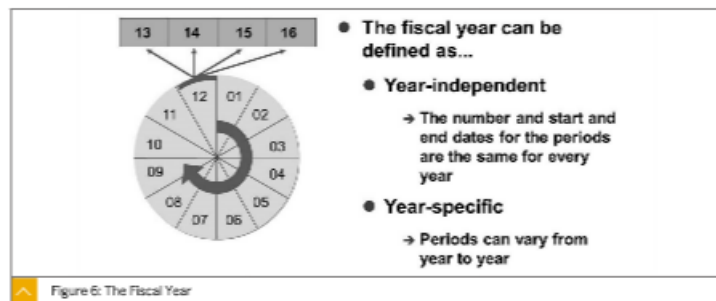
- The fiscal year variant
- The different types of fiscal year variants
- How to define a fiscal year variant according to your requirements
- How to assign a fiscal year variant to a company code

LESSON OBJECTIVES

After completing this lesson, you will be able to:

- Manage fiscal year variants

The Fiscal Year



The figure shows a fiscal year that has 12 posting periods and four special periods. The posting periods are marked 1 to 12. The special periods are marked 13 to 16. If the posting date falls in the

twelfth period, you can post the transaction in any one of the special periods ranging from 13 to 16.

You must define a fiscal year with the posting periods to assign business transactions to different periods. The fiscal year is defined as a variant and assigned to a company code.

The fiscal year variant contains the definitions of posting periods and special periods. Special periods are used for postings that are assigned to the business process of year-end closing and not to time periods. In total, you can define 16 periods.

The system derives the posting period from the posting date. If the posting date falls within the last normal posting period, you can post the transaction in one of the special periods.

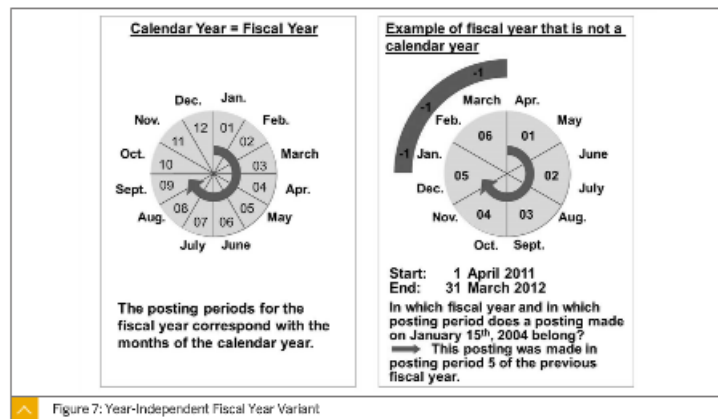
Standard fiscal year variants are already defined in the system and you can use them as templates.



Hint:

The fiscal year variant does not specify whether a posting period is open or closed. This data is managed in another table. The fiscal year variant only defines the number of periods and their start and finish dates.

Year-Independent Fiscal Year Variant



The figure shows a non-calendar year with six posting periods starting from April to March. January to March belong to the old fiscal year and have the indicator -1.

If each fiscal year of a fiscal year variant uses the same number of periods and the posting periods always start and end on the same day of the year, the variant is year-independent.

There are two types of year-independent fiscal year variants:

- Calendar year
- Non-calendar year

If you define a fiscal year as the calendar year, then the posting periods are equivalent to the months of the year. Therefore, a fiscal year must have 12 posting periods.

If a fiscal year is defined as a non-calendar year, each of the posting periods are defined with their end dates. A non-calendar year can be defined with the posting periods ranging from 1 to 16. If the non-calendar year does not start on January 1st, the periods of the year that belong to the former or the coming fiscal year must have an indicator -1 or +1.

If the fiscal year differs from the calendar year, but the posting periods correspond to calendar months, then select 29 as the day limit for February to take leap years into consideration.

Fiscal years are usually year-independent.

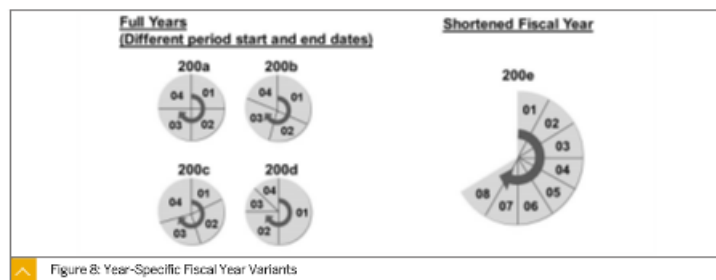
Year-Specific Fiscal Year Variants

Figure 8: Year-Specific Fiscal Year Variants

If all of the fiscal years in a fiscal year variant have the same number of posting periods, you only have to define the different period dates for the different years. The figure demonstrates this example.

A fiscal year variant is defined as year-specific based on one or both of the following conditions:

- The start and the end dates of the posting periods for some fiscal years differ from the dates of other fiscal years.
- Some fiscal years use a different number of posting periods.

If one year of a fiscal year variant has fewer posting periods than the others, it is called a shortened fiscal year. This variant could be required if closing has to be carried out before the end of the normal fiscal year. For example, in a case where the beginning of the fiscal year needs to be changed or if the company was sold. Before defining the period dates, you must define the shortened fiscal year and the number of posting periods in it. For a shortened fiscal year, you can only assign a lower number of posting periods.

Unit 1

Exercise 5

Create and Maintain Fiscal Year Variants**Business Example**

The fiscal year of the company corresponds to the calendar year. The Accounting Manager wants four special periods for postings for the year-end closing.

Create a calendar year and a fiscal year variant, assign the fiscal year variant to the company code, and define a fiscal year variant.

1. Create a calendar year variant ## for your company with twelve posting periods and four special periods.



Hint:
Add 30 to your group number because some of the existing data begins with 01, 02, and so on. For example, if your group number is 02, add 02 + 30 and enter 32 for your fiscal year variant.

2. Assign the fiscal year variant that you created to your company code GR##.
3. Create a fiscal year variant ## + 60 for a fiscal year with just four posting periods and one special period. The duration of one posting period is 3 months. The fiscal year runs from April to March.

Create and Maintain Fiscal Year Variants

Business Example

The fiscal year of the company corresponds to the calendar year. The Accounting Manager wants four special periods for postings for the year-end closing.

Create a calendar year and a fiscal year variant, assign the fiscal year variant to the company code, and define a fiscal year variant.

1. Create a calendar year variant **##** for your company with twelve posting periods and four special periods.



Hint:
Add 30 to your group number because some of the existing data begins with 01, 02, and so on. For example, if your group number is 02, add 02 + 30 and enter 32 for your fiscal year variant.

- a) In Customizing, choose *Financial Accounting (New)* → *Financial Accounting Global Settings (New)* → *Ledgers* → *Fiscal Year and Posting Periods* → *Maintain Fiscal Year Variant (Maintain Shortened Fisc. Year)*.
- b) Choose *Edit* → *New Entries*.
- c) Enter the following values:

Field Name or Data Type	Values
FV	## +30
Description	12 periods calendar year ##
Calendar yr	✓
Number of posting periods	12
No. of special periods	4

- d) Choose *Save*.
2. Assign the fiscal year variant that you created to your company code GR##.
- a) In Customizing, choose *Financial Accounting (New)* → *Financial Accounting Global Settings (New)* → *Ledgers* → *Fiscal Year and Posting Periods* → *Assign Company Code to a Fiscal Year Variant*.

- b) On the *Change View "Assign Comp. Code" → Fiscal Year Variant*: *Overview* screen, choose *Position*.
 - c) Enter company code **GR##** and choose *Enter*.
 - d) In the *FV* field, enter **## +30**.
 - e) Choose *Save*.
3. Create a fiscal year variant **## + 60** for a fiscal year with just four posting periods and one special period. The duration of one posting period is 3 months. The fiscal year runs from April to March.
- a) In Customizing, choose *Financial Accounting (New)* → *Financial Accounting Global Settings (New)* → *Ledgers* → *Fiscal Year and Posting Periods* → *Maintain Fiscal Year Variant (Maintain Shortened Fisc. Year)*.
 - b) Choose *Edit* → *New Entries*.
 - c) Enter the following values:

Field Name or Data Type	Values
FV	## +60
Description	4 periods - Group ##
Number of Posting Periods	4
Number of Special Periods	1

- d) Choose *Save*.
- e) Go back to the *Change View "Fiscal year variants": Overview* screen.
- f) To define the period dates, in the right pane, select the fiscal year variant **## + 60**.
- g) In the left pane, double-click *Periods*.
- h) Choose *Edit* → *New Entries*.
- i) Enter the following values:

Month	Day	Period	Year Shift
03	31	4	-1
06	30	1	0
09	30	2	0
12	31	3	0

- j) Choose *Save*.

**Note:**

A calendar-year fiscal year variant is now created and assigned to your company code.

You have also created a non-calendar fiscal year variant.

**LESSON SUMMARY**

You should now be able to:

- Manage fiscal year variants

Identifying the Basic Functionality of Currency Keys and Exchange Rate Types

LESSON OVERVIEW

This lesson explains the basic functions of currencies in Financial Accounting (FI).

Business Example

The company has customers and vendors in several countries. The head accountant is worried that keeping the exchange rates updated in the system involves a substantial amount of work. You need to convince the accountant that using the tools provided by the SAP ERP application reduces the work involved. For this reason, you require an understanding of the following:

- Currency keys and exchange rate types
- The basic functions of exchange rates
- How to maintain exchange rates



LESSON OBJECTIVES

After completing this lesson, you will be able to:

- Identify the basic functionality of currency keys and exchange rate types

Currency Keys and Exchange Rate Types

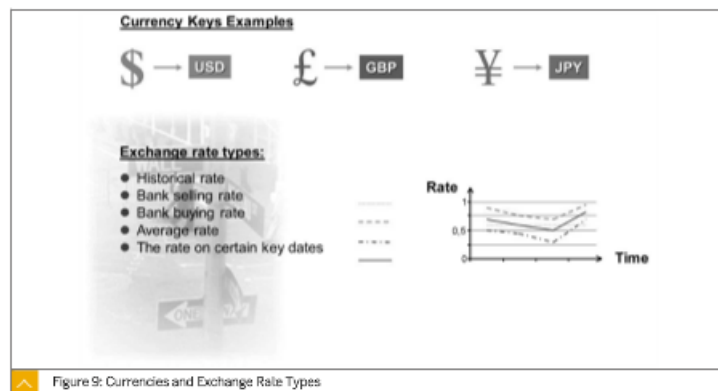


Figure 9: Currencies and Exchange Rate Types

Every currency key used in the SAP ERP application must have a currency key assigned to it. By default, most of the currencies in the SAP ERP application are defined with standard international currency keys.

You can assign a validity date to each currency key defined in the SAP ERP application.

You can define different exchange rates types for different purposes, such as valuation, conversion, translation, and planning. You can then maintain the exchange rate for a currency type and a combination of two currencies.

Translation Ratios

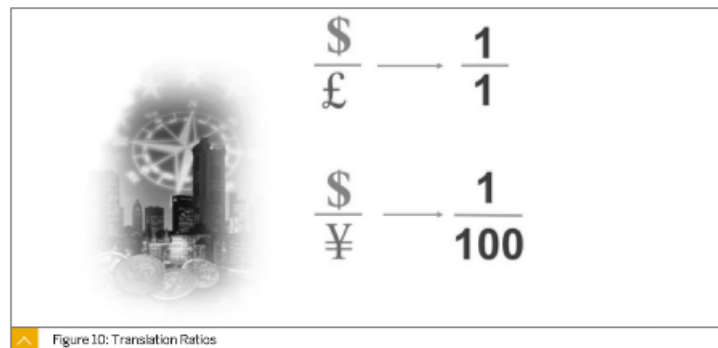


Figure 10: Translation Ratios

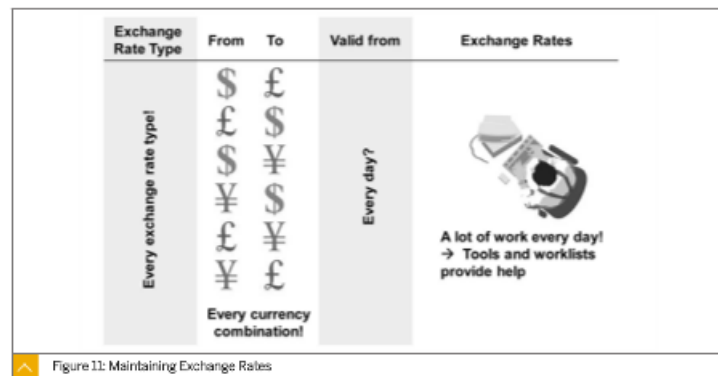
The relationship between currencies must be maintained per exchange rate type and currency pair using translation ratios. This activity usually has to be performed only once. Since inflation can deeply influence the relationships between currencies, translation ratios are maintained on a time period basis.

You can reduce the amount of work involved in the maintenance of exchange rates by using one of the following tools:

- Base currency
- Exchange rate spreads
- Inversion

If an entry is missing for an exchange rate, you can use the inverse exchange rate relationship to translate from one currency to another. For example, you have maintained the exchange rate relationship between EUR and USD. You do not have to maintain the inverse relationship from USD to EUR because the inversion tool calculates the rate automatically.

Exchange Rate Maintenance Tools



The maintenance of exchange rates is an ongoing task.

The SAP ERP application provides the following set of tools to reduce the work involved in the maintenance of exchange rates:

- Exchange rate spreads
- Base currency
- Inversion



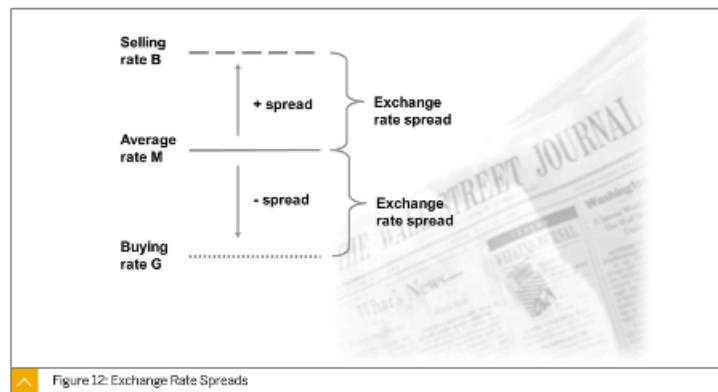
Note:

Inversion is an old tool and is rarely used today. You can only use one of these tools for each exchange rate type. However, you can use different tools for different exchange rate types.

You can use report RFTBFF00, which enables you to transfer external market data in file form, to automatically update the exchange rate table by uploading an input file in MultiCash form.

You can also use the reports RFTBDF07 and RFTBDF14 to transfer exchange rates. These reports can transfer the data in real-time using a datafeed interface if the external datafeed supports real-time provision of exchange rates. Remote Function Call (RFC) enables a direct connection between an external system and the SAP ERP application. For more information about the file input format, data providers, and file structures, refer to the documentation for this report.

Exchange Rate Spreads



Exchange rate spreads between the bank buying or selling rate, and the average rate usually remains constant. Once the exchange rate spread of an exchange rate type is entered in the SAP ERP application, you only have to maintain the average rate. This is because the buying and the selling rate can be derived by adding or subtracting the exchange rate spread to or from the average rate.

An efficient combination of the exchange rate tools includes the following actions:

- Using a base currency for the average rate (M)
- Using the exchange rate spreads to calculate the buying and selling rates (B and G)

Base Currency

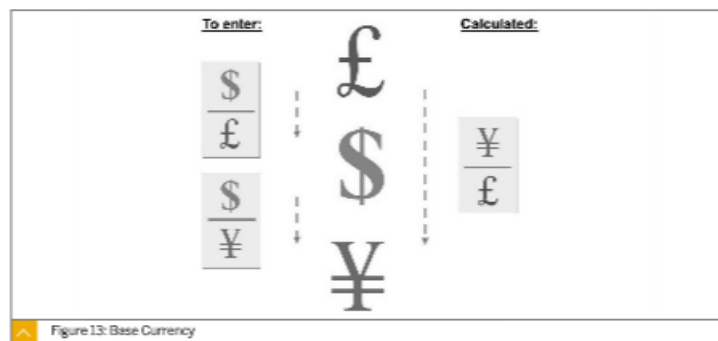


Figure 13: Base Currency

You can assign a base currency to an exchange rate type. This allows you to maintain exchange rates for all other currencies into this base currency. You can use the base currency to calculate a translation between two foreign currencies by combining two exchange rates.

Direct or Indirect Quotation of Exchange Rates

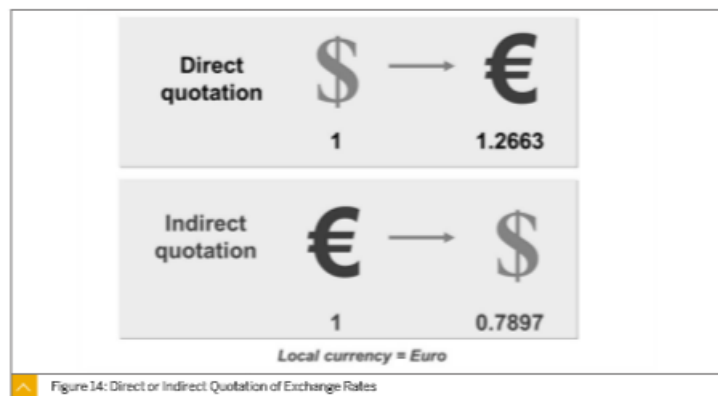


Figure 14: Direct or Indirect Quotation of Exchange Rates

All SAP ERP applications and functions process exchange rates using one of the following types of quotations:

- Direct: Uses one unit of foreign currency for the local currency.

- Indirect: Uses one unit of local currency for the foreign currency. It affects all the components in which exchange rates are used. It is neither application nor country-specific.

The type of quotation used is dependent on the market standard or the individual business transaction.

The following example demonstrates a direct quotation and an indirect quotation:

Consider that the local currency is EUR and the foreign currency is USD.

- Direct quotation:
 - USD 1 = EUR 1.2663. This means that one unit of the foreign currency USD costs the displayed number of units of the local currency.
- Indirect quotation:
 - EUR 1 = USD 0.7897. This means that one unit of the local currency EUR costs the displayed number of units of the foreign currency, USD.

For each currency pair, you can define either the direct or the indirect quotation as the standard notation for the exchange rate. If the exchange rate you enter does not have the same quotation as the standard quotation set up in the application, the exchange rate is highlighted to show this.

Worklists for Maintaining Exchange Rates

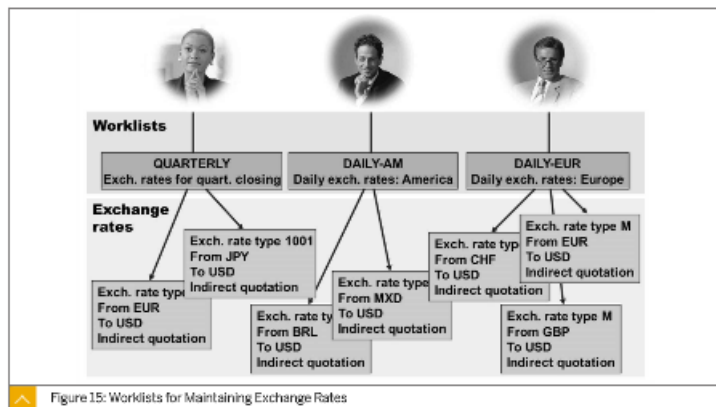


Figure 15: Worklists for Maintaining Exchange Rates

In some companies, several employees maintain the exchange rate table TCURR.

When several employees perform maintenance, the following problems can occur:

- Employees maintain incorrect exchange rates unknowingly or unintentionally.
- Employees maintain exchange rates with the incorrect quotation, which can be indirect instead of direct, or vice versa.

- Several employees maintain large tables, which involve time-consuming scrolling.
- Multiple users cannot maintain the table TCURR simultaneously.

Maintenance of Exchange Rates

Starting with SAP R/3 Enterprise, you can define worklists and then maintain the exchange rates using the transaction `TCURRMT`.

This process offers the following advantages:

- Only the relevant exchange rates can be maintained. You can also assign authorizations for worklists.
- Only the relevant quotation can be maintained.
- The worklist is smaller and clearer.
- Parallel processing of different worklists is possible.

Design of Exchange Rate



Business transaction with *directly quoted* exchange rate (local currency EUR): USD 1 = EUR 1.2663

Currency/Rate	USD	1.2663
---------------	-----	--------

Business transaction with *indirectly quoted* exchange rate (local currency EUR): EUR 1 = USD 0.7897

Currency/Rate	USD	/0.7897
---------------	-----	---------

Figure 16: Design of Exchange Rate in Different Quotations

Exchange rates can be entered as direct or indirect quotations. You can maintain two prefixes to differentiate between direct and indirect quotation exchange rates during input and display. The standard setting is valid if you do not enter a prefix.

These prefixes are as follows:

Prefix	Use
" " (blank, without a prefix)	Used for direct quotation exchange rates
"/"	Used for indirect quotation exchange rates

Scenarios Showing Direct Quotations and Indirect Quotations

The following scenarios show direct quotations and indirect quotations:

Scenario	Setting/Quotation	Prefix
1	Standard setting, if direct quotation is mostly used.	You can enter direct quotation exchange rates without a prefix.
2	Both indirect quotation and direct quotations are used.	You can define an alternative prefix for both types of quotations. For example, use "*" for direct quotation and "/" for indirect quotation. If you follow this suggestion, the configuration does not allow exchange rates to be entered without a prefix and an error message occurs. Users are therefore forced to consider the correct quotation and enter the rate with a valid prefix.
3	Indirect quotation is the most widely used notation at your company.	You can configure different settings. The following types of settings can be defined: "*" for direct quotation, " " (blank) for indirect quotation. - This configuration allows indirect quotation exchange rates to be entered without a prefix, whereas the less used direct quotation exchange rates have to be entered with a prefix.

Refer to SAP Note 783877 for an overview of FAQs about currency translation.



LESSON SUMMARY

You should now be able to:

- Identify the basic functionality of currency keys and exchange rate types

Learning Assessment

1. You can assign a business area to a company code.

Determine whether this statement is true or false.

☐ True

☐ False

2. What is the format of a company code key?

Choose the correct answer.

☐ A Two-digit alphanumeric

☐ B Four-digit alphanumeric

☐ C Six-digit alphanumeric

☐ D Eight-digit alphanumeric

3. What is the name of the leading ledger that SAP provides with the standard system?

Choose the correct answer.

☐ A 0L

☐ B 1L

☐ C 2L

☐ D 3L

4. The variant principle is used in the SAP application to assign particular properties to one or more objects. How many steps does the variant principle have?

Choose the correct answer.

- ☐ A 1
☐ B 3
☐ C 4
☐ D 5

5. Which of the following is the first step in the variant principle?

Choose the correct answer.

- ☐ A Define variant
☐ B Determine values for the variant
☐ C Assign the variant to the objects
☐ D Create multiple variants

6. The fiscal year variant contains the definition for the posting periods and special periods.

Determine whether this statement is true or false.

- ☐ True
☐ False

7. The fiscal year variant specifies a period as open or closed.

Determine whether this statement is true or false.

- ☐ True
☐ False

8. If the fiscal year differs from the calendar year, but the posting periods correspond to calendar months, then the day limit for February should be 29 to take leap years into consideration.

Determine whether this statement is true or false.

- ☐ True
☐ False

9. When are year-specific fiscal year variants used?

10. Which of the following helps to reduce the amount of work involved in the maintenance of exchange rates?

Choose the correct answer.

- ☐ A Conversion
☐ B Inversion
☐ C Exchange
☐ D Static rate

11. Name three commonly used exchange rate types and mention what they are used for.

12. In SAP ERP, currencies are defined using _____.

Learning Assessment - Answers

1. You can assign a business area to a company code.

Determine whether this statement is true or false.

- ☐ True
☒ False

2. What is the format of a company code key?

Choose the correct answer.

- ☐ A Two-digit alphanumeric
☒ B Four-digit alphanumeric
☐ C Six-digit alphanumeric
☐ D Eight-digit alphanumeric

3. What is the name of the leading ledger that SAP provides with the standard system?

Choose the correct answer.

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☐ C 2L
☐ D 3L

4. The variant principle is used in the SAP application to assign particular properties to one or more objects. How many steps does the variant principle have?

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☐ B Determine values for the variant
☐ C Assign the variant to the objects
☐ D Create multiple variants

6. The fiscal year variant contains the definition for the posting periods and special periods.

Determine whether this statement is true or false.

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☐ False

7. The fiscal year variant specifies a period as open or closed.

Determine whether this statement is true or false.

- ☐ True
☒ False

8. If the fiscal year differs from the calendar year, but the posting periods correspond to calendar months, then the day limit for February should be 29 to take leap years into consideration.

Determine whether this statement is true or false.

- ☒ True
☐ False

9. When are year-specific fiscal year variants used?

Year-specific fiscal year variants are used when the start and the end date of the posting periods differ from one year to another. They are also used when one fiscal year has fewer posting periods than the others (shortened fiscal year).

10. Which of the following helps to reduce the amount of work involved in the maintenance of exchange rates?

Choose the correct answer.

- ☐ A Conversion
☒ B Inversion
☐ C Exchange
☐ D Static rate

11. Name three commonly used exchange rate types and mention what they are used for.

The three commonly used exchange rate types are: M (average rate for posting and clearing), G (buying rate), and B (selling rate).

12. In SAP ERP, currencies are defined using _____.

currency keys

UNIT 2

Master Data

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UNIT OBJECTIVES

- Identify the basic settings of a chart of accounts
- Outline the structure of G/L accounts
- Distinguish between balance sheet and profit and loss (P&L) statement accounts
- Create account groups to maintain G/L accounts
- Configure the field status of G/L accounts
- Outline the functionality of reconciliation accounts
- Manage G/L accounts
- Manage currency aspects in G/L Accounting
- Maintain G/L accounts using collective processing
- Maintain group chart of accounts and country chart of accounts
- Create profit centers, cost centers, and segments

- Manage customer and vendor accounts
- Create groups to maintain customer and vendor accounts
- Use one-time account master records
- Maintain the field status in customer and vendor accounts
- Use sensitive fields to ensure dual control

Unit 2

Lesson 1

Maintaining General Ledger (G/L) Accounts

LESSON OVERVIEW

This lesson shows you how to maintain general ledger accounts.

Business Example

The accounting manager has decided that the chart of accounts and company code settings for the G/L accounts can be copied from company code 1000. However, the accounting department requires additional G/L accounts to process authorized travel expenses and payments. The expense account numbers must lie in a separate number interval. For this reason, you require an understanding of the following:

- The chart of accounts
- The structure of G/L accounts
- Different types of G/L accounts
- How to create, maintain, and control G/L accounts
- How to change several G/L accounts at the same time
- Concepts such as profit centers and segments
- How to create profit centers, cost centers, and segments



LESSON OBJECTIVES

After completing this lesson, you will be able to:

- Identify the basic settings of a chart of accounts
- Outline the structure of G/L accounts
- Distinguish between balance sheet and profit and loss (P&L) statement accounts
- Create account groups to maintain G/L accounts
- Configure the field status of G/L accounts
- Outline the functionality of reconciliation accounts
- Manage G/L accounts
- Manage currency aspects in G/L Accounting
- Maintain G/L accounts using collective processing
- Maintain group chart of accounts and country chart of accounts

Chart of Accounts



The three steps to create and use a chart of accounts:

- Define the chart of accounts.
- Define the properties of the chart of accounts.
- Assign the chart of accounts to company codes.



Figure 17: Chart of Accounts

The chart of accounts is a variant that contains the structure and basic information of a general ledger account.

A chart of accounts is defined with a four-character ID and has the following components:

- Chart of account key
- Name of the chart of account
- Maintenance language
- Length of the G/L account number
- Controlling integration
- Group chart of accounts (Consolidation)
- Block indicator

The chart of accounts (for example, INT, IKR, CAUS, or any other chart of account applicable for a country) must be assigned to every company code, which needs to maintain the accounts based on the structure of the chart of accounts concerned.

Basic Settings of a Chart of Accounts



Change View "List of All Charts of Accounts": Details

New Entries

Chart of Accts:

Description:

General specifications

Maint. language:

Length of G/L account number:

Integration

Controlling integration:

Consolidation

Group Chart of Accts:

Status

☐ Blocked

Figure 18: Definition of a Chart of Accounts

The maintenance language is the language in which account descriptions are maintained.

The account number of a G/L account can range from 1 to 10 digits in length. In the absence of a default value, the system assumes that no cost element is to be created.

You can assign a group account number for each G/L account. This account number is used for cross-company code reporting if the company codes use different charts of accounts. To enter a group account in the G/L account, you have to enter a group account number in the corresponding field in the G/L account definition (required entry field). The system then checks whether the group account number exists in the group chart of accounts.

An incomplete chart of accounts can be blocked. In the blocked state, no company code can use the chart of accounts.

You can get a directory of the general ledger accounts in your chart of accounts from the *RFSKPL00* report.

The G/L Account plan is used to perform the following activities:

- Display G/L account master data
- Print G/L account lists

Assigning the Chart of Accounts

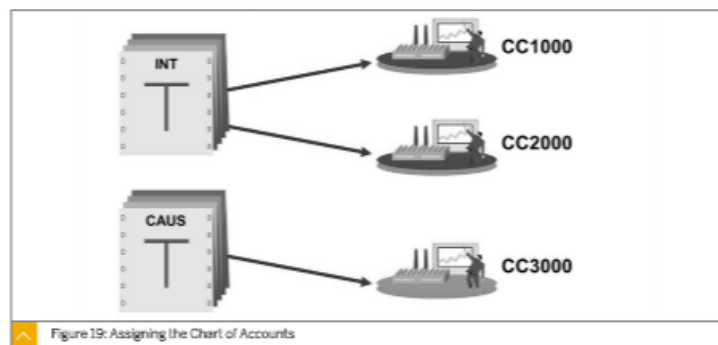


Figure 19: Assigning the Chart of Accounts

Every company code must be assigned a chart of accounts. In accordance with the variant principle, it is possible to assign one chart of accounts to several company codes.

The Controlling (CO) component and the Financial Accounting (FI) component use the same chart of accounts. If company codes use cross-company code controlling, then the company must use the same chart of accounts. In the example shown in the figure, the company codes CC1000 and CC2000 can perform cross-company code controlling, but company codes CC2000 and CC3000 cannot.

You can use report *RFSKVZ00* to view the G/L account directory with the chart of account-specific data and the company code-specific data.

Chart of Accounts Segments

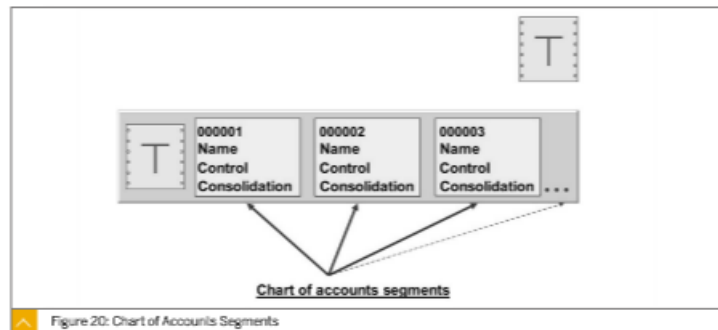


Figure 20: Chart of Accounts Segments

The chart of accounts contains basic information about accounts. This information is summarized in a chart of accounts segment.

The chart of accounts segment of a G/L account contains the following information:

- Account number
- Name of the account (as short and as long text)
- Control fields
- Consolidation fields

You can translate the chart of accounts into other languages. The translation allows you to display the account name in the appropriate logon language when displaying master data and posting it. If you do not translate the chart of accounts in the logon language, the account name appears in the chart of accounts maintenance language.

Text with different information can be assigned to each chart of accounts segment.

Fields in a Chart of Accounts Segment



The chart of accounts segment consists of several groups of fields:

Type/Description

- Control in chart of accounts
- Description
- Consolidation data in chart of accounts

Keyword/Translation

- Keywords in chart of accounts
- Translation

Information

- Information in chart of accounts
- G/L texts in chart of accounts

Figure 21: Fields in a Chart of Accounts Segment

The information that you enter in the chart of accounts segment for a G/L account applies to all company codes. You need to enter this information only once.

Texts entered for the chart of accounts segment are managed by text ID and language. You can display texts using the *Account Assignment Manual (RFSKTH00)* report.

Keywords are used to search for account numbers.

Layout of the Tab Pages

You can define and change the layout of the tab pages for the individual processing of the general ledger account master data.

You can make the following changes in the tab pages:

- The number of tab pages
- The title of the tab pages
- The field groups required and their position on the tab pages
- The layouts (for central processing and processing in the chart of accounts-specific and company code-specific area)



Note:

The standard SAP ERP system contains layouts for several editing functions. You can copy these layouts and adjust them to meet your requirements. Then, you can assign them to your chart of accounts or your account groups.

Company Code Segment

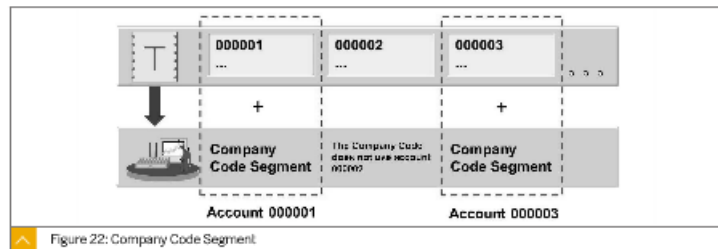


Figure 22: Company Code Segment

To use an account from the assigned chart of accounts in your company code, you must create a company code segment for the account. This company code segment combined with the chart of accounts segment form an account.

This information in the company code segment controls the entry of accounting documents and the management of accounting data.

The company code in the figure does not use account 000002, so this account is free for use by other company codes. For example, a foreign currency balance sheet account is managed in the currency of a country in which the company code does not have any business partners. However, another company code in the group may have a business partner in that country.

Fields in the Company Code Segment



The Company Code segment consists of several groups of fields:

Control Data

- Account control
- Account Management
- Joint Venture

Bank/Interest

- Document Creation
- Bank/Financial Details
- Interest Calculation

Information

- Information
- G/L Account texts



Figure 23: Fields in the Company Code Segment

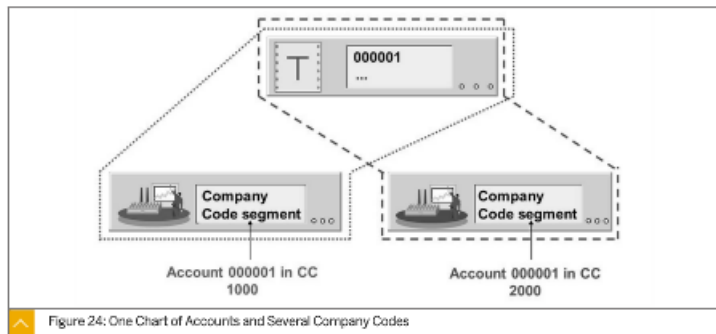
A G/L account can have several company code segments. For example, you can set the Tax Category indicator for a specific company code to include taxes when expense accounts are used. For other company codes, you may choose not to set this indicator.

You can define the following information for a company code:

- Currency
- Taxes
- Reconciliation account
- Line item display
- Sort key
- Field status group
- House bank
- Interest calculation information

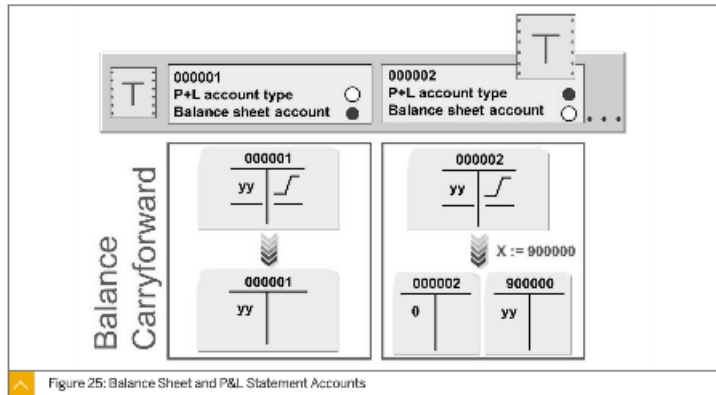
As mentioned in the figure for the chart of accounts segment, you can manage text using the text ID and language functions.

Chart of Accounts and Several Company Codes



Every company code, which needs to use accounts from the assigned chart of accounts, has to have its own company code segment. The numbers and names of accounts are maintained in the chart of accounts segment. Therefore, accounts retain the same names and numbers in all assigned company codes.

Balance Sheet and Profit and Loss (P&L) Statement Accounts



In the chart of accounts segment, you specify whether an account is a balance sheet or a profit and loss (P&L) account.

The accounts are treated differently in the closing procedure as follows:

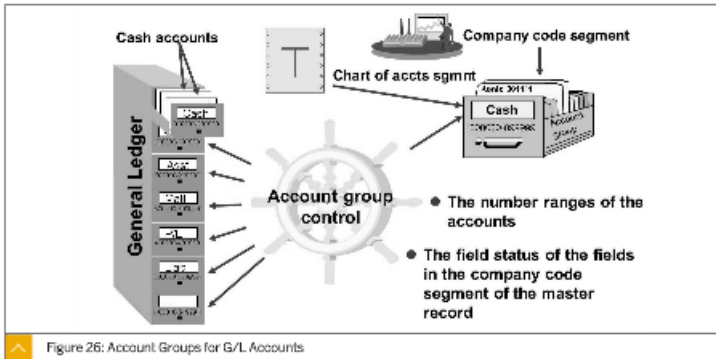
Type of Account	Description
Balance sheet	The balance is carried forward to the same account.
P&L statement	The balance is carried forward to a retained earnings account, and the P&L statement account is set to zero. A key X is assigned to the account to which the balance is carried forward. You have to enter this key in the field <i>P&L Statement Type</i> in the chart of accounts segment.

Users can define the retained earnings account in Customizing. You can then assign this account to expense accounts during the creation of the master record of the general ledger account.

Depending on the number of retained earnings accounts, the following cases apply:

Number of Retained Earning Account(s)	Use
One	The system automatically assigns this account as the retained earnings account when creating P&L accounts.
More than one	You need to select the retained earnings account for each P&L statement account.

Account Groups for G/L Accounts



A chart of accounts contains different types of accounts, you can arrange these accounts into different account groups.

Multiple accounts can be grouped in the following ways:

- Cash accounts
- Material accounts
- Asset accounts
- P&L statement accounts

By assigning a number range to an account group, you can ensure that accounts of the same type are within the same number range. The numbers of the account group intervals can overlap.

You must enter the account group in the chart of accounts segment of the G/L account master data. The account group controls the appearance of the company code segment of a G/L account. For example, to display all of the line items of your cash accounts, in *Customizing*, change the field status to *line item display* to a required entry for the *Cash Accounts* account group.

The SAP ERP system delivers predefined account groups.

Unit 2

Exercise 6

Create Account Groups for G/L Accounts

Business Example

The accounting department requires additional G/L accounts to handle authorized travel expenses and disbursements. An authorized travel expense is an expense over 10,000 units of local currency approved by the Accounting Manager.

The expense account numbers must fall within the range of AE0000 to AE9999. The disbursement account numbers must be within the range CD0000 to CD9999.

In this exercise, when the values include ##, replace the characters with the number that your instructor assigned you.

Create Account Groups

When you copied company code 1010 in a previous exercise, you also copied the chart of accounts and the company code segment for the company code. The associated account groups were also copied with the chart of accounts. For the G/L accounts mentioned in the business scenario, the accounting department needs two additional account groups: one for expenses and the other for disbursements.

1. Copy account group *ERG* within your *Charts of Accounts (INT)* to the new account group *AE##* with the description *Authorized expenses ##*. Change the number range for account group *AE##* to *AE0000-AE9999*, accordingly.
2. Copy account group *SAKO* within your *Chart of Accounts (INT)* to the new account group *CD##* with the description *Cash expenses ##*. Change the number range for the account group *CD##* to *CD0000-CD9999*, accordingly.

Create and Maintain G/L Accounts

1. Create two G/L accounts for authorized expenses (entertainment expenses and sports car rental). To create the accounts, use the reference accounts provided and the new account group *AE##*.



Hint:
Before saving, you need to delete the entry in the *Alternative Account No.* field.

Field Name or Data Type	Value
Account Number	AE01##, AE02##

Field Name or Data Type	Value
Reference Account Numbers	400000

2. Create one G/L account for each cash payment account. To create the accounts, use the reference accounts provided. Use the new account group CD## for the new accounts.



Hint:
Before saving, you need to delete the entry in the *Alternative Account No.* field.

Field Name or Data Type	Value
Account Number	CD03##
Reference Account Numbers	113100

3. Display the chart of accounts for your company code.

Unit 2 Solution 6

Create Account Groups for G/L Accounts

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- Copy account group *ERG* within your *Charts of Accounts (INT)* to the new account group *AE##* with the description *Authorized expenses ##*. Change the number range for account group *AE##* to *AE0000-AE9999*, accordingly.
 - In Customizing, choose *Financial Accounting (New) → General Ledger Accounting (New) → Master Data → G/L Accounts → Preparations → Define Account Group*.
 - Scroll down to your *Chart/Accts (Chart of Accounts) INT*.
 - Select the account group *ERG*, *P&L accounts* for your chart of accounts.
 - Choose *Edit → Copy as*.
 - Overwrite the *ERG* account group with the following values:

Field Name or Data Type	Values
Acct Group	AE##
Name	Authorized Expenses##
From acct	AE0000
To account	AE9999

- Press ENTER.
- Choose Save.

2. Copy account group SAKO within your *Chart of Accounts (INT)* to the new account group CD## with the description *Cash expenses ##*. Change the number range for the account group CD## to CD0000-CD9999, accordingly.

- In Customizing, choose *Financial Accounting (New) → General Ledger Accounting (New) → Master Data → G/L Accounts → Preparations → Define Account Group*.
- Scroll down to your *Chart/Accounts (Chart of Accounts) INT*.
- Select the account group SAKO, *General G/L accounts* for your chart of accounts.
- Choose *Edit → Copy as*.
- Overwrite the SAKO account group with the following values:

Field Name or Data Type	Values
Acct Group	CD##
Name	Cash Disbursement##
From acct	CD0000
To account	CD9999

- Press ENTER.
- Choose Save.

Create and Maintain G/L Accounts

1. Create two G/L accounts for authorized expenses (entertainment expenses and sports car rental). To create the accounts, use the reference accounts provided and the new account group AE##.



Hint:
Before saving, you need to delete the entry in the *Alternative Account No.* field.

Field Name or Data Type	Value
Account Number	AE01##, AE02##
Reference Account Numbers	400000

- On the SAP Easy Access screen, choose *Accounting → Financial Accounting → General Ledger → Master Records → G/L Accounts → Individual Processing → Centrally*. Alternatively, enter transaction code *FS00*.
- Enter the following information:

Field Name or Data Type	Values
G/L Account	AE01##

Field Name or Data Type	Values
Company Code	GR##

- Choose *G/L account → Create with reference*.

Field Name or Data Type	Values
G/L Account	400000
Company Code	GR##

- Choose *Continue*.
- Enter the following information:

Field Name or Data Type	Values
Account Group	AE## (Authorized Expenses##)
Short Text	Entertainment ##
G/L Acct Long Text	Entertainment expenses ##
Group account number	312600



Hint:
To configure settings to display key information, such as AE## and CD##, in all dropdown lists, perform the following steps:

- Press ALT + F12.
- Select *Options*.
- Expand folder *Interaction Design*.
- Select *Visualization 1*.
- In the *Controls* section of the screen, select the *Show keys within dropdown lists* indicator.
- Press OK.

- Choose the *Control Data* tab page and delete the entry in the *Alternative Account No.* field.
- Choose Save.
- If necessary, confirm the information message with *Enter*.
- Repeat steps (a) to (h) to create the additional expense account AE02##.



Note:
To create G/L account AE02## for authorized expenses, please enter the following information when repeating step (e):

Field Name or Data Type	Values
Account Group	AE## (Authorized Expenses##)
Short Text	Rental ##
G/L Acct Long Text	Sports car rental expenses ##
Group account number	312600

2. Create one G/L account for each cash payment account. To create the accounts, use the reference accounts provided. Use the new account group CD## for the new accounts.



Hint:
Before saving, you need to delete the entry in the *Alternative Account No.* field.

Field Name or Data Type	Value
Account Number	CD03##
Reference Account Numbers	113100

- a) On the SAP Easy Access screen, choose *Accounting* → *Financial Accounting* → *General Ledger* → *Master Records* → *G/L Accounts* → *Individual Processing* → *Centrally*. Alternatively, enter transaction code TS00.

- b) Enter the following information:

Field Name or Data Type	Values
G/L Account	CD03##
Company Code	GR##

- c) Choose *G/L account* → *Create with reference*.

Field Name or Data Type	Values
G/L Account	113100
Company Code	GR##

- d) Choose *Continue*.

- e) Enter the following information:

Field Name or Data Type	Values
Account Group	CD## Cash Disbursement ##
Short Text	Disbursements GR##
G/L Acct Long Text	Disbursements GR##
Group Account Number	110100

- f) Choose the *Control Data* tab page and delete the entry in the *Alternative Account Number* field.

- g) Choose *Save*.

- h) If necessary, confirm the information messages with *Enter*.

3. Display the chart of accounts for your company code.

- a) On the SAP Easy Access screen, choose *Accounting* → *Financial Accounting* → *General Ledger* → *Information System* → *General Ledger Reports (New)* → *Master Data* → *G/L Account List*. Alternatively, enter transaction code S_ALR_87012328.

- b) Enter the following information:

Field Name or Data Type	Values
Chart of Accounts	INT
Company Code	GR##

- c) Choose *Execute*.



Note:
This report displays the master data for every G/L account. Use the 'Binoculars' icon (CTRL + F) to navigate to the new G/L accounts that you have created.

- d) Choose *Back*.

- e) Deselect all checkboxes in the *Output Control* section.

- f) Choose *Execute* to run the report again.

Account Group Controlled Field Status

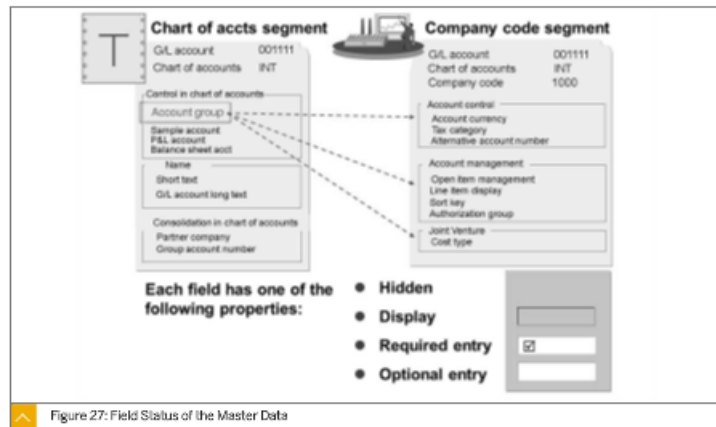


Figure 27: Field Status of the Master Data

The field status enables you to control the display and maintenance of the master data of an account.

You can set any one of the following as the status of a field:

Status	Chart of Accounts Assignment
Hide	For fields that you do not use
Display	For fields whose values must not be changed
Required Entry	For fields in which you must enter a value
Optional Entry	For fields that can contain an entry, but are not required

Fields are grouped by the SAP ERP application. You can set a common field status for all fields of a group. For example, you can set a status for the interest calculation indicator, interest cycle, and last interest calculation key date fields.

The fields *Account currency* and *Field status group* are always the required entry fields. The status for these fields cannot be changed.



Hint:

Even suppressed fields may contain values that still take effect.

Field Status for G/L Master Data

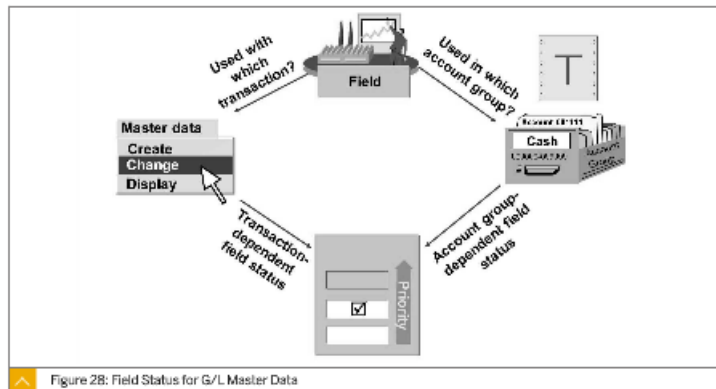


Figure 28: Field Status for G/L Master Data

The field status is generally controlled by the account group. You usually only use transaction-specific controls to specify what can be edited when changing master data.

There may be instances when you do not want specific fields to be modified by anyone after the master record has been created. For example, you set the currency of your cash account to GBP, and you do not want anyone to be able to modify it. In this case, in Customizing for *G/L Accounting*, under *Define Screen Layout for Each Transaction* → *Change* assign the status *Display* to the relevant field.

For each field, the SAP ERP application takes the field status definitions from the account group and the transaction into consideration and uses the one with a higher priority.

The following order applies in the SAP ERP system, with decreasing priority:

- Hide
- Display
- Required Entry
- Optional Entry

Fields accessed through the transaction *Display Master Data* can be either displayed or hidden because you cannot make an entry in a *Display* transaction. If you do not want to use the transaction-specific control, then you can set the field status for all fields to *Optional*. The *Optional* field status has the lowest priority, so the account group-specific control is always used to define the field status.

Reconciliation Accounts

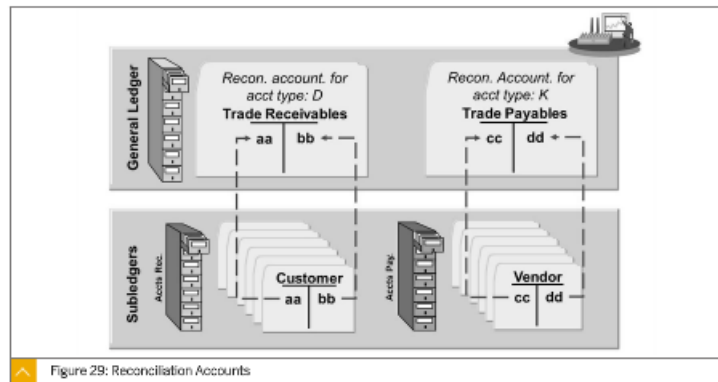


Figure 29: Reconciliation Accounts

Reconciliation accounts are G/L accounts that receive postings from subsidiary ledgers.

All postings to the subledger accounts are automatically posted to the assigned reconciliation accounts. This ensures that the general ledger is always updated.

You need to enter the account type in the field Reconciliation Account for Account Type in the company code segment section of the G/L account master data.

The reconciliation account is only valid for the account type specified.

The following are typical reconciliation account types:

- Receivables
- Payables



Note:
Amounts cannot be posted directly to reconciliation accounts.

Line Items and Open Items in G/L Accounting

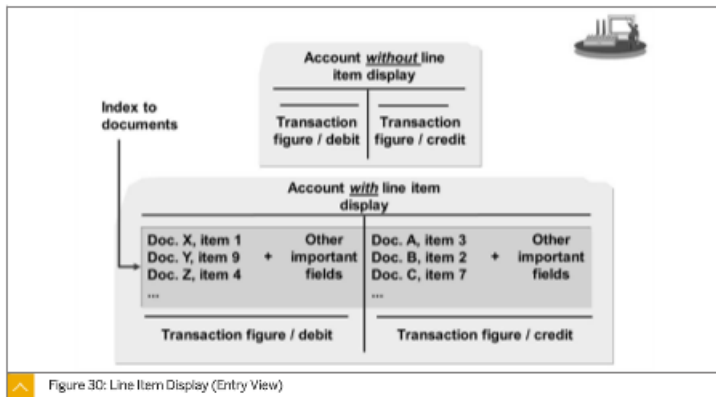


Figure 30: Line Item Display (Entry View)

Transaction figures are combinations of the line item postings on the debit or credit side. The balance is defined as the difference between the debit and the credit transaction figures.

Line Item Display is a control field in the Company Code segment of an account.

The following table explains the effect of the Line Item Display field:

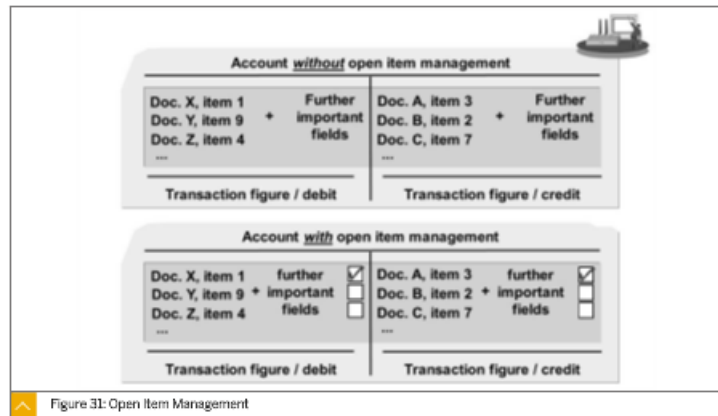
Accounts	Description
Without line item display	Only transaction figures are updated when a document is posted to this account. When users look at this account online, they can only view the balance.
With line item display	The most important data from the posted line items is stored in a special index table. Since this data is stored in documents, it needs additional storage and system time. When users look at this account online, they can view both the balance and the individual line items. You can use the report RFSEPA01 to activate the line item display.

Using Line Item Display

Since *Line Item Display* takes up additional system resources, only use this field if there is no other way of looking at the line items.

In new G/L Accounting there is an *Entry* view and a *General ledger* view for a document. The indicator regarding the control of line item management refers only to the *Entry* view of documents. In the *General ledger* view, the line items on all accounts are always visible. The visibility cannot be changed because a the subledger view cannot completely explain the general ledger. For example, a profit center and segment entered in the items during document splitting is not displayed in the sub-ledger.

Open Item Management



When the Open Item Management indicator is set in the master record for a general ledger account, the items posted to this account can be in one of the following states:

- Open
- Cleared

Accounts with open item management must have line item display activated. Open item management is a prerequisite for checking whether a given business transaction has an offsetting posting. Open items and cleared items can be displayed separately, so it is easy to identify the business transactions that still need to be cleared.

Use open item management for the following accounts:

- Bank clearing accounts
- Clearing accounts for a goods receipt or an invoice receipt
- Salary clearing accounts

You can activate or deactivate open item management only when the account has a zero balance.

If Open Item management has been set up per ledger, the functionality *Ledger Group-Specific Clearing* (Open Item management per ledger) is available.

Accounts in Local Currency

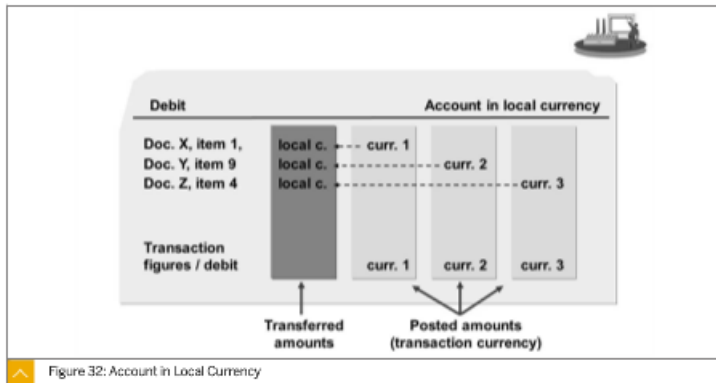


Figure 32: Account in Local Currency

When you define a company code, you also need to define the company code currency.

You can select one of the following currencies as account currency:

- Local currency
- Foreign currency

As a standard, when you create a G/L account, the SAP ERP system takes the local currency as the default account currency.

If you select the local currency, you can post to this G/L account in any currency. Other currencies are converted into the local currency for each line item.

Posting of items in different currencies is possible irrespective of whether line item display is activated or not.

Balances in Local Currency

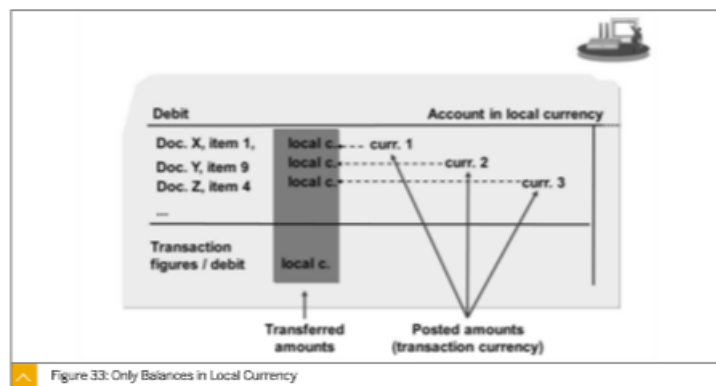


Figure 33: Only Balances in Local Currency

If the master data record has the *Only Balances in Local Currency* indicator selected, then the transaction figures are managed only for amounts that have been converted into the local currency.

Select this field for clearing accounts when you want to clear accounts by assigning items with the same local currency amount with one another, without the need for postings for exchange rate differences.

Set the *Only Balances in Local Currency* indicator in the cash discount account and the GR/IR clearing account. Avoid setting this indicator in reconciliation accounts for customers or vendors. This indicator is usually set in balance sheet accounts that are not managed in foreign currencies or on an open item basis.

Accounts in Foreign Currency

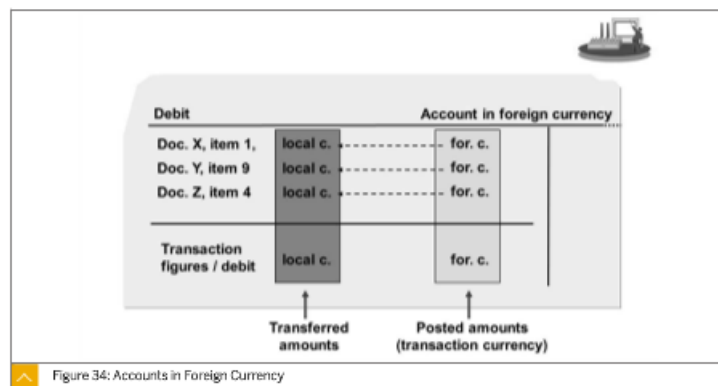


Figure 34: Accounts in Foreign Currency

When you set accounts with a foreign currency, the account can only be posted to in the currency specified.

G/L Accounts

You can use the following methods to create the G/L account, chart of accounts segment, and company code segment:

- One-step: Create both segments simultaneously (centrally).
- Two-step: Create a chart of accounts segment followed by the company code segment.
- Copy: Copy the following components:
 - Copy an individual G/L account: Copy it with reference to another G/L account.
 - Copy the company code segment: Copy the entire company code segment.
 - Copy the chart of accounts segment: Copy the entire chart of accounts segment.
- Create G/L accounts by copying: Copy an existing account to create a new account with the same properties. You also need to change the name of the account. The new account inherits all the properties of the source account. You may need all G/L accounts of a company code in another company code. In this case, you can copy the entire company code segment to the new company code. In addition, you can copy the entire chart of accounts, including account determination, to a new chart of accounts. You can also copy the financial statement version.
- Transfer data: To reduce data entry, programs such as *RFBISA00* and *Batch Input Interfaces* for G/L account master data, can be modified by the ABAP team to transfer new charts of accounts.

Country Chart of Accounts

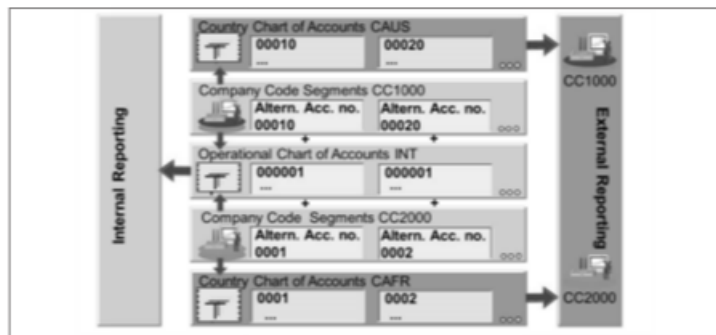


Figure 37: Country Chart of Accounts

In addition to the group chart of accounts, the SAP ERP system offers the possibility of assigning a country chart of accounts. With a local chart of accounts you can, for example, assign the same operating chart of accounts to all company codes without the need for a separate group chart of accounts.

Company codes that require a special chart of accounts for external reporting have the following settings:

- A country chart of accounts is assigned.
- The account number of the country chart of accounts (an alternative account number) is entered in every operational G/L account company code segment. This account number can only be assigned once.



Note:
Cross-company code controlling is possible because all company codes post to the same operational chart of accounts.

A disadvantage of using the local chart of accounts as the operational chart of accounts, is that accounting clerks familiar with the country charts of accounts will have to get used to the operational chart of accounts.

Charts of Accounts for a Group

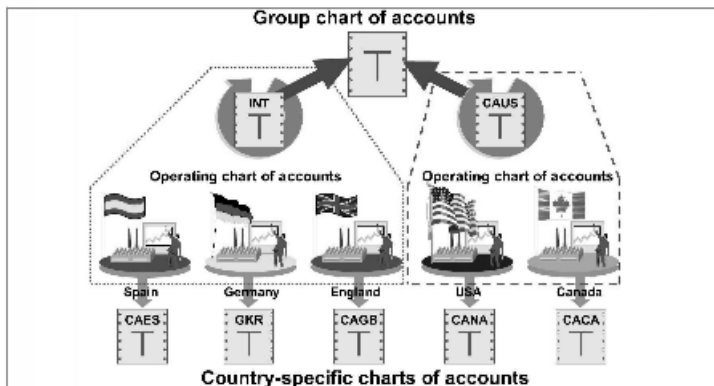


Figure 38: Scenario – Charts of Accounts for a Group

For the international groups shown in the figure, cross-company code cost accounting is possible for European company codes. This is possible because company codes in Spain, Germany, and the UK use the same operational chart of accounts. The European company codes use chart of accounts INT as their operational chart of accounts.

Company codes in the US and Canada use chart of accounts CAUS as their operational chart of accounts. Cross-company code controlling is therefore also possible in North America.

To create reports using the country chart of accounts, the board of the international group has decided to define country-specific charts of accounts for the company codes.

The board has also decided that the group does not need consolidation for Europe and North America combined, but that they would like consolidation to take place. Therefore, a group chart of accounts (CONS) has been set up for the operating charts of accounts INT and CAUS.

**LESSON SUMMARY**

You should now be able to:

- Identify the basic settings of a chart of accounts
- Outline the structure of G/L accounts
- Distinguish between balance sheet and profit and loss (P&L) statement accounts
- Create account groups to maintain G/L accounts
- Configure the field status of G/L accounts
- Outline the functionality of reconciliation accounts
- Manage G/L accounts
- Manage currency aspects in G/L Accounting
- Maintain G/L accounts using collective processing
- Maintain group chart of accounts and country chart of accounts

Unit 2

Lesson 2

Creating Profit Centers and Segments

LESSON OVERVIEW

This lesson explains how to maintain profit centers and segments.

Business Example

With new G/L Accounting, every company can define the elements or objects to be used for reporting, such as a balance sheet or a profit and loss statement. The segment characteristic is often chosen as the object. For this reason, you require an understanding of the following:

- The concepts of profit centers and segments
- The derivation options for segments

**LESSON OBJECTIVES**

After completing this lesson, you will be able to:

- Create profit centers, cost centers, and segments

Profit Centers and Segments**The Segment Characteristic**

- The segment characteristic is a standard account assignment object available from the SAP ERP solution (in FI), that allows you to create evaluations for objects or entities below the company code level.
- The objective of the segment characteristic is to enable a detailed analysis of the various business activity areas, such as markets or products, of a broad-based enterprise.

You can use segments to meet the segment reporting requirements of international accounting principles (=> IFRS/US-GAAP).

The *Business area* or *Profit center* objects can be used as alternatives. Segments are provided to meet additional requirements because the business area and/or profit center were frequently used for different purposes in the past.

Extract from IFRS 8: BUSINESS SEGMENTS

5. A business segment is a part of a company that meets the following criteria:

1. A segment is a part of a company carries out business activities that generate revenues and for which expenses can be incurred (including revenues and expenses in connection with transactions between areas of the same company).

2. A segment is a part of a company whose operating profits are regularly inspected by the main decision-maker of the company with regard to decisions about the allocation of resources to this segment and the evaluation of its profitability, and
3. A segment is a part of a company for which there is corresponding financial information.

Derivation of a Segment



Change Profit Center

Analysis Time Frame Validity Period

General Data

Profit center: 1000 Profit center 1000

Controlling area: 1000 CO Europe

Basic Data

Responsible: James Patterson

Department: Department IV

Hierarchy Area: H1022

Segment:

Figure 39: Derivation of a Segment

You can save a segment in the master data of a profit center. When you post to a profit center, the segment is posted automatically. Segment posting does not take place if a profit center does not have a segment. It is a standard practice to derive the segment from a profit center. Customers can develop additional solutions or derivations.

Deriving a Segment

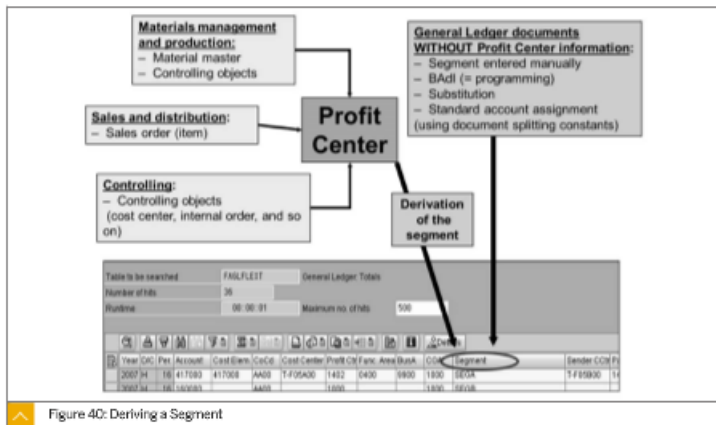


Figure 40: Deriving a Segment

The Segment characteristic is derived from the characteristic Profit Center, which exists in various SAP objects.

As mentioned in SAP Note 1035140, the following principles apply to segments:

- The use of segments is only officially approved by SAP if they are used simultaneously with profit centers.
- Segments can only be derived automatically using profit centers.
- In many business cases, particularly in logistics, you cannot enter segments manually.
- Various standard interfaces do not support segments.

If you cannot derive the characteristic Segment from the master record of a profit center, you need to look for other ways of assigning a segment.

New General Ledger Accounting with document splitting provides the following options:

- Manual entry
- BAdI implementation (FAGL_DERIVE_SEGMENT)
- Definition of substitution rules
- Assignment of standard accounts

Profit Center Accounting has its origins in Controlling. However, due to its increased significance in external accounting, it has become a part of Financial Accounting. Management needs to decide whether to use Profit Center Accounting for internal or external accounting.

Reorganization of Segments



Situation before EHP6:

Change Profit Center

Analysis Period: Change Validity Period

General Data

Profit Center: 1000 Profit Center 1000

Controlling Area: 1000 CO Europe

Basic Data tab

Person Respons.: James Paderson

Segment: SCGD

After posting to a profit center the Segment field is **not** changeable.

Assume the following master data assignments:

Profit Center 1	Profit Center 2	Profit Center 3
SCGD	SCGD	SCGD

A management decision to reorganize the segments **can not** be implemented in standard.

Figure 41: Reorganization of Segments

If management decides to reorganize segments, such changes do not affect only the profit center master record. For example, instead of assigning a single segment to the three profit centers, management decides to assign profit centers 1 and 3 to a new segment, such as the SEGA segment. As a consequence, other SAP object types have to be changed as well. Examples include G/L account totals with open item management, payables, receivables, and asset reconciliation accounts totals, as well as asset master records or allocation cycles.

Reorganization of Segments (2)



Situation as of EHP6:

A web dynpro application to reorganize profit center (already possible with EHP6) and segments exists:

Open (1) | Completed (1)

Overview of Reorganization Plans

View: [Standard View] | Edit | Display | Create | Create with Template

Reorganization Plan: 201 | Reorganization Date: 01.01.2012

Profit Reorganization Plans: ZPI (Open)

Basic Data | General Restrictions | Search

* Accounts

Controlling Area: 1000

Asset Line: a. | Debit Line: Microsoft Excel

TY: Old Segment | New Segment

SCGD | SCGD

SCGD | SCGD

The following sample assignments **after** the reorganization are possible:

Profit Center 1	Profit Center 2	Profit Center 3
SEGA	SEGB	SEGA

Important: Of course, dependent SAP objects, e.g., asset master records will also be changed and needed correction postings are automatically triggered.

Figure 42: Reorganization of Segments (2)

The *Reorganization of Segments* functionality enables and assists you in the execution of segment re-assignments.

The following job roles are involved in the reorganization process:

- The reorganization manager (for example the chief accountant or the central controller).
- The object (list) owner (for example, the FI or CO accountant).

With segment reorganization, you can also execute a merge of segments.

Unit 2

Exercise 7

Create Profit Centers, Cost Centers, and Segments

Business Example

You need to map Profit Center Accounting and segment reporting in the new General Ledger Accounting. To achieve this, you need to create and assign the required objects.

Create segments, profit centers, and cost centers.

1. Create segment **SE##**, which is the main business field of your company, with the name *Service Group ##*.
2. Create a profit center with the name **PR##** in controlling area 1000. As a template, you can use profit center 1000 in controlling area 1000.

Use the following data for the profit center and activate your new profit center:

Field Name or Data Type	Values
Profit Center	PR## (with template 1000/1000)
Analysis Period	01.01.1999 to 31.12.2999
Name	PC Group ##
Long Text	Profit Center Group ##
User Responsible	Leave Empty
Person Respons.	Group ##
Department	Training
Profit Ctr Group	H9500 (Training)
Segment	SE##

3. Create cost center **COCE##** with the name *Cost Center Group ##*. As a template, use the cost center 1000 in controlling area 1000.

Use the following data for the cost center:

Field Name or Data Type	Values
Cost Center	COCE## (with template 1000/1000)
Analysis Time Frame	Valid from 01.01.1999 to 31.12.2999

Field Name or Data Type	Values
Name	Cost Center ##
Description	Cost Center Group ##
User Responsible	Leave Empty
Person Responsible	Group ##
Department	Training
Cost Center Category	4 - Administration
Hierarchy Area	H1120 - Internal Service
Company Code	GR##
Business Area	9900
Functional Area	0400 - Administration
Profit Center	PR##



Note:

Make sure you select the correct company code (GR##) and profit center (PR##)!

The segment SE## you created is assigned to the profit center PR## which in turn is assigned to the cost center COCE##.

Unit 2 Solution 7

Create Profit Centers, Cost Centers, and Segments

Business Example

You need to map Profit Center Accounting and segment reporting in the new General Ledger Accounting. To achieve this, you need to create and assign the required objects.

Create segments, profit centers, and cost centers.

- Create segment SE##, which is the main business field of your company, with the name *Service Group ##*.
 - In Customizing, choose *Enterprise Structure* → *Definition* → *Financial Accounting* → *Define Segment*.
 - Choose *Edit* → *New Entries*.
 - Enter the following values:

Field Name or Data Type	Values
Segment	SE##
Description	Service Group ##

- Choose *Save*.
- Create a profit center with the name PR## in controlling area 1000. As a template, you can use profit center 1000 in controlling area 1000.

Use the following data for the profit center and activate your new profit center:

Field Name or Data Type	Values
Profit Center	PR## (with template 1000/1000)
Analysis Period	01.01.1999 to 31.12.2999
Name	PC Group ##
Long Text	Profit Center Group ##
User Responsible	Leave Empty
Person Respons.	Group ##
Department	Training
Profit Ctr Group	H9500 (Training)

Field Name or Data Type	Values
Segment	SE##

- a) On the SAP Easy Access screen, choose *Accounting* → *Financial Accounting* → *General Ledger* → *Master Records* → *Profit Center* → *Individual Processing* → *Create*.
Alternatively, enter transaction code **KE51**.
- b) In the *Create Profit Center* screen area, enter the following values:

Field Name or Data Type	Values
Profit Center	PR##
Copy from Profit Center	1000
Copy from CO Area	1000

- c) Choose *Save*.
- d) To create a new entry, use the copied template profit center and enter the following information:

Field Name or Data Type	Values
Analysis Period	01.01.1999 to 31.12.2999
Name	PC Group ##
Long Text	Profit Center Group ##
User Responsible	Leave Empty
Person Respons.	Group ##
Department	Training
Profit Ctr Group	H9500 (Training)
Segment	SE##

- e) Choose *Save as Inactive* and press ENTER to continue.
- f) Choose *Profit Center* → *Activate*.
- g) Choose *Exit*.
3. Create cost center COCE## with the name *Cost Center Group ##*. As a template, use the cost center 1000 in controlling area 1000.

Use the following data for the cost center:

Field Name or Data Type	Values
Cost Center	COCE## (with template 1000/1000)

Field Name or Data Type	Values
Analysis Time Frame	Valid from 01.01.1999 to 31.12.2999
Name	Cost Center ##
Description	Cost Center Group ##
User Responsible	Leave Empty
Person Responsible	Group ##
Department	Training
Cost Center Category	4 - Administration
Hierarchy Area	H1120 - Internal Service
Company Code	GR##
Business Area	9900
Functional Area	0400 - Administration
Profit Center	PR##



Note:
Make sure you select the correct company code (GR##) and profit center (PR##)!

The segment SE## you created is assigned to the profit center PR## which in turn is assigned to the cost center COCE##.

- a) On the SAP Easy Access screen, choose *Accounting* → *Controlling* → *Cost Center Accounting* → *Master Data* → *Cost Center* → *Individual Processing* → *Create*.
Alternatively, enter transaction code **KS01**.
- b) In the *Create Cost Center: Initial Screen* area, enter the following values:

Field Name or Data Type	Values
Cost Center	COCE##
Analysis Time Frame	Valid From 01.01.1999 to 31.12.2999
Cost center	1000
Controlling Area	1000

- c) Choose *Enter*.
- d) To create a new entry, use the following information:

Field Name or Data Type	Values
Cost Center	COCB### (with template 1000/1000)
Analysis Time Frame	Valid From 01.01.1999 to 31.12.2999
Name	Cost Center ###
Description	Cost Center Group ##
User Responsible	Leave Empty
Person Responsible	Group ##
Department	Training
Cost Center Category	4 - Administration
Hierarchy Area	H1120 - Internal Service
Company Code	GR##
Business Area	9900
Functional Area	0400 - Administration
Profit Center	PR##

e) Choose Save.

f) Choose Exit.



LESSON SUMMARY

You should now be able to:

- Create profit centers, cost centers, and segments

Managing Customer and Vendor Accounts

LESSON OVERVIEW

This lesson shows you how to maintain customer and vendor accounts.

Business Example

The accounting manager is looking for similarities and differences between the general ledger accounts and the subledger accounts. The manager is specifically interested in the structure of the customer and vendor accounts. Above all, the manager wants to know about search help options. For this reason, you require an understanding of the following:

- The similarities and differences between G/L accounts and subledger accounts
- The structure of customer and vendor accounts
- The relationships between customer and vendor accounts
- The methods for managing customer and vendor accounts



LESSON OBJECTIVES

After completing this lesson, you will be able to:

- Manage customer and vendor accounts
- Create groups to maintain customer and vendor accounts
- Use one-time account master records
- Maintain the field status in customer and vendor accounts
- Use sensitive fields to ensure dual control

Accounting View of Customer and Vendor Accounts

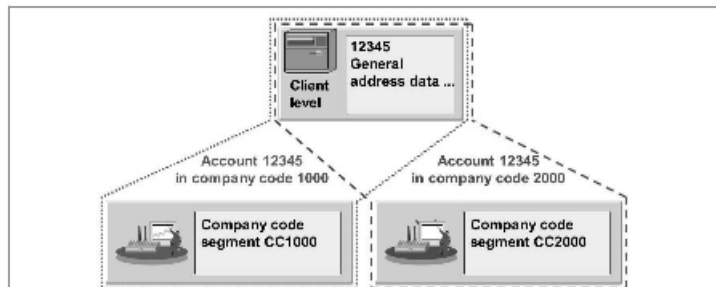


Figure 43: Accounting View of Customer or Vendor Accounts

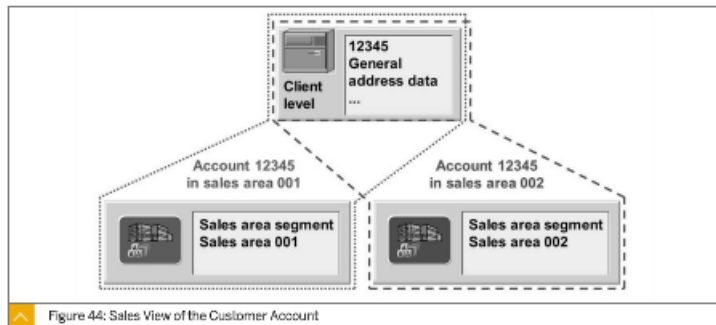
Segments of Customer and Vendor Accounts

You can use the reports *RFBIDE10* and *RFBIKR10* to transfer customer and vendor master data from one company code into another.

Customer and vendor account master records have segments at the following levels:

Segment	Description
Client level	Contains general data that can be accessed throughout the organization
Company code	Contains company code-specific data. Any company that wishes to do business with a specific customer or vendor has to create a company code segment for this customer or vendor.

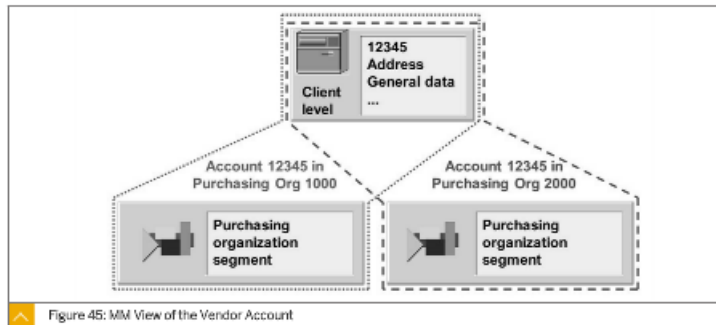
Sales View in Customer Accounts and Materials Management (MM) View in Vendor Accounts



The sales and distribution department interacts with customers, so it requires specific data about all of your customers. For this reason, you can create a sales area segment for each customer.

Any sales area that needs to do business with a customer has to first create a sales area segment. This segment contains data that is specific to the sales area.

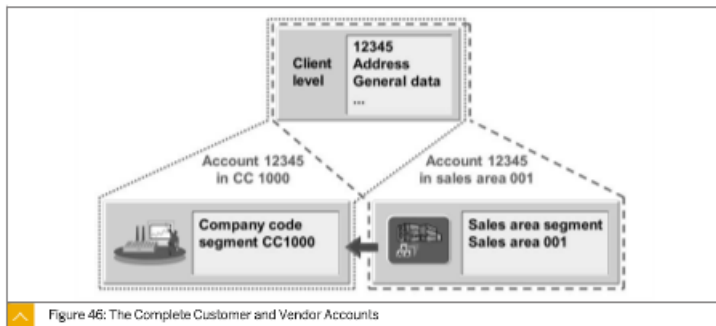
MM View of the Vendor Account



Just as sales area segments are created for customers, purchasing organization segments are created for vendors.

A purchasing organization needs to create a purchasing organization segment before it can conduct any business with a vendor. The purchasing organization segment contains data specific to the purchasing organization.

Complete Customer and Vendor Accounts



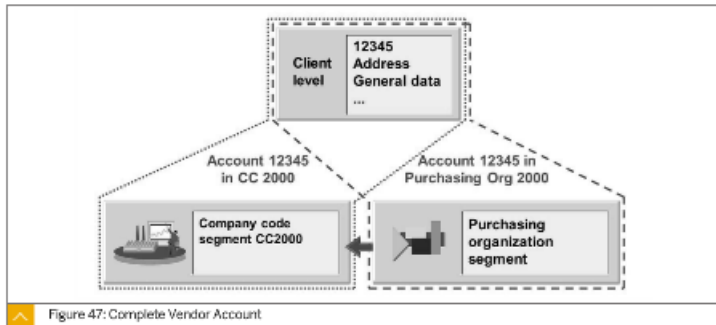
A customer account comprises the following three segments:

- General data at the client level
- Company code segment
- Sales area segment

You need to create a sales area segment for every sales area assigned to a company code.

An account number is assigned to the customer at the client level. This ensures that a customer has the same account number for all company codes and sales areas.

Complete Vendor Account



A vendor account comprises the following three segments:

- General data at the client level
- Company code segment
- Purchasing organization segment

You need to create a purchasing organization segment for every purchasing organization assigned to a company code.

The account number is assigned to a vendor at the client level. This ensures that a vendor has the same account number for all company codes and purchasing organizations.

Centralized Versus Decentralized Maintenance

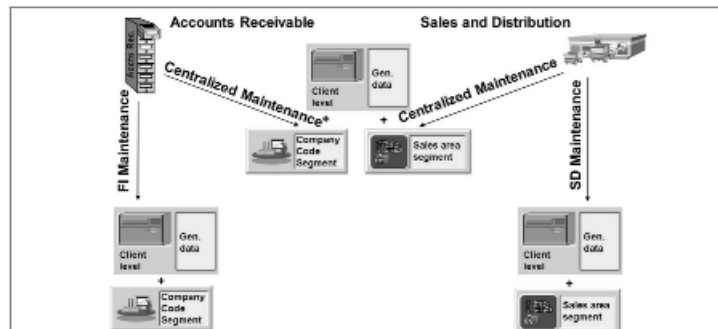


Figure 48: Centralized Versus Decentralized Maintenance (Customer and Vendor)

The SAP ERP system offers two possibilities for maintaining customer master records. Organizational requirements determine which function you use. In the first option, the data records for all areas can be maintained centrally. In the second option, the data records for Financial Accounting and Sales and Distribution can be maintained separately.

You now focus on the maintenance of customer master records in Financial Accounting.



Note:

When implementing both Accounts Receivable and Sales and Distribution, members of both the teams must work together. This collective effort helps them decide how to configure customer master records and who owns the responsibility for maintaining customer master records.

Centralized Versus Decentralized Maintenance (Accounts Payable)

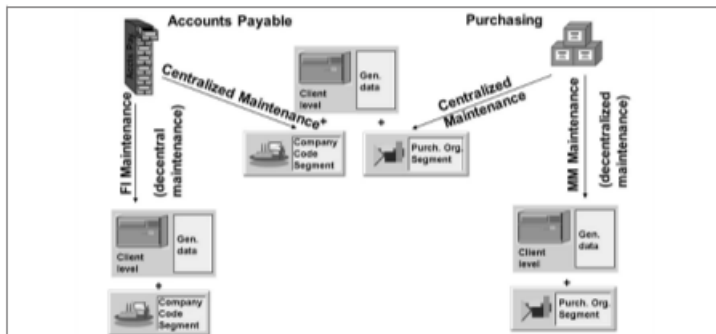


Figure 49: Centralized Versus Decentralized Maintenance (AP)

The vendor master records can be maintained centrally for all areas or separately for Financial Accounting (FI) and Materials Management (MM). You now focus on the maintenance of vendor master records in FI.



Note:

When implementing accounts payable and materials management, members from both the implementation teams must work together. This collective effort helps them decide how to configure vendor master records and resolve who owns the responsibility for the maintenance of vendor master records.

Comparison of Master Data

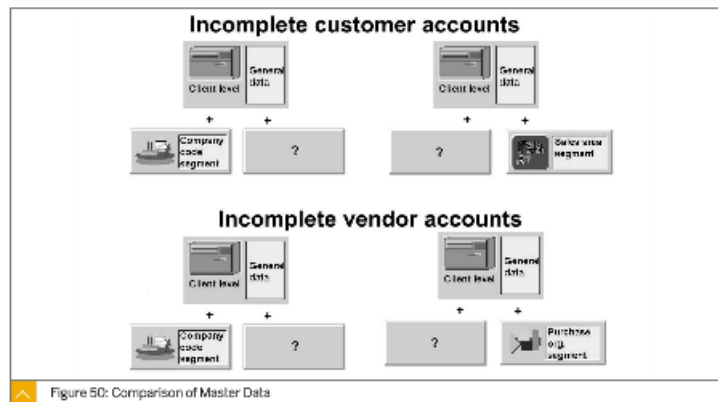


Figure 50: Comparison of Master Data

When you use Purchasing Management and Sales Order Management, you need to maintain customers and vendors for both components. Create customer or vendor master records centrally to ensure that they are set up correctly. There are instances when Purchasing Management, Sales Order Management, and Accounting create their own segments of the master record. This process increases the probability of incomplete or duplicate master records. To find and correct incomplete accounts, run the report *RFDKAG00*, Customer Master Data Comparison, or *RFKKAG00*, Vendor Master Data Comparison, and make the necessary corrections.

Perform the follow actions to avoid creating duplicate accounts:

- Use the match code before creating a new account
- Activate the automatic duplication check

Tabs and Fields of Customer and Vendor Accounts



Each account segment consists of several pages with different groups of fields:

General Data

- Address
- Control Data
- Payment Transactions
- + Texts

Company Data

- Accounting Information
- Payment Transactions
- Correspondence
- Insurance
- Withholding Tax
- + Texts

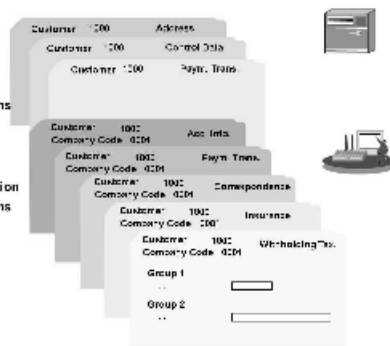


Figure 51: Tabs and Fields of Customer and Vendor Accounts

To change or display an account, you can go directly to any page of the account segment by selecting it on the initial screen.

Some important fields on the initial screen:

- Search terms

A search term can be used to enter an abbreviation for the customer or vendor name. Company guidelines and practices define the format for abbreviations.

- Group

A user-defined group key can be used to collect customers or vendors who belong to the same corporate group. The group key can be used for running reports, transaction processing, or for matching codes.

- Clerk or accounting

The name of the accounting clerk can be saved by entering an ID in the relevant customer or vendor master records. The SAP ERP system automatically prints the name of the clerk on the correspondence. You can also use this ID for sorting, dunning, and payment proposal lists.

- Explanatory text

Explanatory text can be entered in every segment.

You can configure line item display and open item management as a standard for every customer or vendor account.

You can also create new customer and vendor master records that reference an existing master record. Only data that does not refer directly to the customer or vendor is copied from the reference account to the new account. For example, addresses are not copied. Check and change

the data that has been copied before saving the record. It is recommended that you create a reference account for every account group.

Account Groups and Number Ranges for Customer and Vendor Accounts

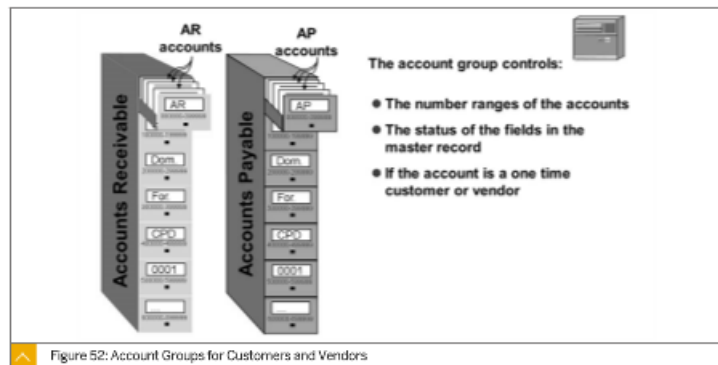


Figure 52: Account Groups for Customers and Vendors

When you create a customer or vendor master record, enter the account group on the initial screen. In Financial Accounting, you cannot change the account group after the customer or vendor account has been created. However, if you use partner roles in Sales and Distribution, you can change the account group in some cases. For example, you can change the account group from an ordering address to a ship-to address. For more information, refer to the SAP Library in Sales and Distribution.

Number Ranges for Customer or Vendors

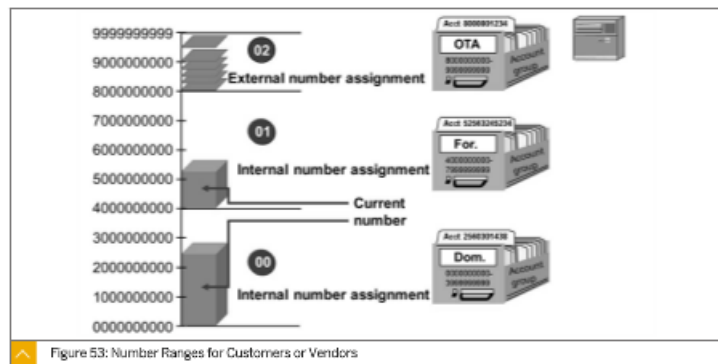


Figure 53: Number Ranges for Customers or Vendors

There are separate number ranges for customer and vendor accounts. The range of possible account numbers is divided into smaller number ranges. However, the number ranges must not overlap.

For each number range, you can define whether the number assignment is internal or external. The system assigns the internal numbers, whereas the user who creates the record assigns the external numbers. External numbers may be alphanumeric.

When assigning internal numbers, the system always assigns the next available number in the range to a new account. To find out how many numbers are available in a specific number range, you can display the current number.

In external number assignment, the user chooses the account numbers, which may not be in sequence. Therefore, the SAP ERP system cannot display a current number because it is not in sequence.

You can assign each number range to one or more account groups.

Unit 2

Exercise 8

Create Account Groups and Maintain Customer or Vendor Accounts

Business Example

Customer and vendor master data is created by the accounting department. You need to create and configure customer and vendor account groups. To achieve this, you can copy the existing account groups KUNA and KRED.

Create Customer Account Groups

1. Create an account group D## with the description Customers ## for the regular customer accounts. Do this by copying the account group KUNA and configuring D## according to the requirement in the business scenario.
2. Assign the number range 02 to the account group.
3. Create a customer account with the new account group D## using the following data:

Field Name or Data Type	Values
Search Term	GR##
Group ID	4711
Reconciliation Account	Trade Receivable - Domestic 140000
Terms of Payment	0002

Create Vendor Account Groups

1. Create an account group K## with the description Vendors ## for the regular vendor accounts. Do this by copying the account group KRED and configuring K## according to the requirements in the business scenario.
2. Assign the number range XX to the account group.



Hint:
XX is the number range, not your group number!

3. Create a vendor account, Vendor ##, with the new account group K##. You can use vendor 1000 in company code 1000 as a template vendor. Enter the following data in the fields:

Field Name or Data Type	Values
Search term 1(A)	GR##
Search term 2(B)	Vendor's last name



Hint:

Either: You have just noticed that you cannot enter a second search term. What could be the reason for this? You will see the answer in the next exercise.

OR: You were able to make an entry for Search term 2(B). The reason for this is given in the exercise Manage Field Status Configuration.

Enter the following data:

Field Name or Data Type	Values
Group ID	4711
Reconciliation Account	Trade Payables 160000
Planning Group	A1
Terms of Payment	0001

Unit 2

Solution 8

Create Account Groups and Maintain Customer or Vendor Accounts

Business Example

Customer and vendor master data is created by the accounting department. You need to create and configure customer and vendor account groups. To achieve this, you can copy the existing account groups KUNA and KRED.

Create Customer Account Groups

- Create an account group D## with the description Customers ## for the regular customer accounts. Do this by copying the account group KUNA and configuring D## according to the requirement in the business scenario.
 - In Customizing, choose *Financial Accounting (New) → Accounts Receivable and Accounts Payable → Customer Accounts → Master Data → Preparations for Creating Customer Master Data → Define Account Groups with Screen Layout (Customers)*.
 - Scroll down to select KUNA General Customer.
 - Choose Edit → Copy As.
 - Enter the following data:

Field Name or Data Type	Values
Account group	D##
Meaning	Customers ##

- Double-click *Company code data* to edit the field status.
 - Double-click *Payment transactions* and change the field status for *Terms of payment* to *Req. Entry*.
 - Choose Save.
- Assign the number range 02 to the account group.
 - In Customizing, choose *Financial Accounting (New) → Accounts Receivable and Accounts Payable → Customer Accounts → Master Data → Preparations for Creating Customer Master Data → Assign Number Ranges to Customer Account Groups*.
 - Scroll down to select group D## Customers ## and overwrite the *Number range* value with 02.

c) Choose Save.

3. Create a customer account with the new account group D## using the following data:

Field Name or Data Type	Values
Search Term	GR##
Group ID	4711
Reconciliation Account	Trade Receivable - Domestic 140000
Terms of Payment	0002

a) On the SAP Easy Access screen, choose Accounting → Financial Accounting → Accounts Receivable → Master Records → Create. Alternatively, enter transaction code FD01.

b) Enter the following values:

Field Name or Data Type	Values
Account group	Customers ## (D##)
Customer	Blank
Company Code	GR##
Reference Customer	1000
Reference Company code	1000

c) Choose Enter twice.

d) On the Address tab page, enter the following values:

Field Name or Data Type	Values
Name	Your choice, Be Creative!
Search term 1/2	GR##
Street/House number	Your choice
Postal Code/City	Your choice
Country/Region	Course country

e) In the Control Data tab page, enter 4711 in the Corporate Group field.

f) In the application toolbar, choose Company Code Data.

g) In the Recon. Account field, enter 140000.

h) Choose Enter.

i) In the Payment Transactions tab page, enter 0002 in the Terms of payment field.

j) Choose Save.



Note:
Write down your customer number displayed at the bottom of the screen.

Create Vendor Account Groups

1. Create an account group K## with the description Vendors ## for the regular vendor accounts. Do this by copying the account group KRED and configuring K## according to the requirements in the business scenario.

a) In Customizing, choose Financial Accounting (New) → Accounts Receivable and Accounts Payable → Vendor Accounts → Master Data → Preparations for Creating Vendor Master Data → Define Account Groups with Screen Layout (Vendors).

b) Scroll down to select KRED Vendors.

c) Choose Edit → Copy As.

d) Enter the following values:

Field Name or Data Type	Values
Account Group	K##
Meaning	Vendors ##

e) Double-click General data to edit the field status.

f) Double-click Address and change the field status for Search term B to Req. Entry.

g) Choose Back.

h) Double-click Contact person and change the field status for Contact Persons to Suppressed.

i) Choose Save.

2. Assign the number range XX to the account group.



Hint:
XX is the number range, not your group number!

a) In Customizing, choose Financial Accounting (New) → Accounts Receivable and Accounts Payable → Vendor Accounts → Master Data → Preparations for Creating Vendor Master Data → Assign Number Ranges to Vendor Account Groups.

b) Scroll down to select group K## Vendors ## and overwrite the Number range value with XX.

c) Choose Save.

3. Create a vendor account, Vendor ##, with the new account group K##. You can use vendor 1000 in company code 1000 as a template vendor. Enter the following data in the fields:

Field Name or Data Type	Values
Search term 1(A)	GR##
Search term 2(B)	Vendor's last name



Hint:

Either: You have just noticed that you cannot enter a second search term. What could be the reason for this? You will see the answer in the next exercise.

OR: You were able to make an entry for Search term 2(B). The reason for this is given in the exercise Manage Field Status Configuration.

Enter the following data:

Field Name or Data Type	Values
Group ID	4711
Reconciliation Account	Trade Payables 160000
Planning Group	A1
Terms of Payment	0001

- a) On the SAP Easy Access screen, choose *Accounting* → *Financial Accounting* → *Accounts Payable* → *Master Records* → *Create*. Alternatively, enter transaction code FK01.
- b) Enter the following values:

Field Name or Data Type	Values
Vendor	Vendor##
Company Code	GR##
Account Group	K##

- c) Ensure the fields in the *Reference* section are blank.
- d) Choose *Enter*.
- e) On the *Create Vendor: Address* screen area, enter the following values:

Field Name or Data Type	Values
Name	Your choice. Be Creative!
Search term 1 (A)	GR##

Field Name or Data Type	Values
Search term 2 (B)	Vendor's last name
Street/House number	Your choice
Postal Code/City	Your choice
Country/Region	Course country

- f) Choose *Goto* → *Next Screen*.
- g) In the *Corporate Group* field, enter 4711.
- h) Choose *Goto* → *Next Screen* to reach the *Create Vendor: Payment transactions* screen area.
- i) Choose *Goto* → *Next Screen* to reach the *Create Vendor: Accounting information Accounting* screen area.
- j) Enter the following information:

Field Name or Data Type	Values
Recon. Account	Trade Payables - domestic (160000)
Cash Mgmt group	A1

- k) Choose *Goto* → *Next Screen* to reach the *Payment transactions Accounting* screen area.
- l) In the *Pay Terms* field, enter 0001.
- m) Choose *Save*.

One-Time Account Master Records

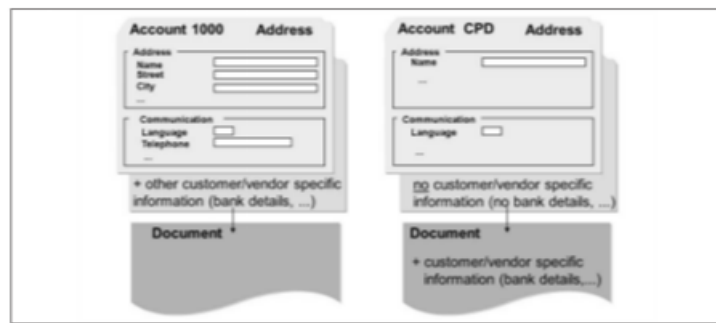


Figure 54: Normal Account or One-Time Account

For all customers or vendors with whom you rarely do business, create a special customer and a special vendor master record. These master records contain receivables and payables for one-time customers or vendors. Compared to other master records, a one-time account master record does not contain any information about a specific customer or vendor because it is used for more than one customer or vendor. Therefore, the customer or vendor specific fields are hidden in these records.

You enter the customer-specific or vendor-specific data directly in the document during posting.

Field Status in Master Records

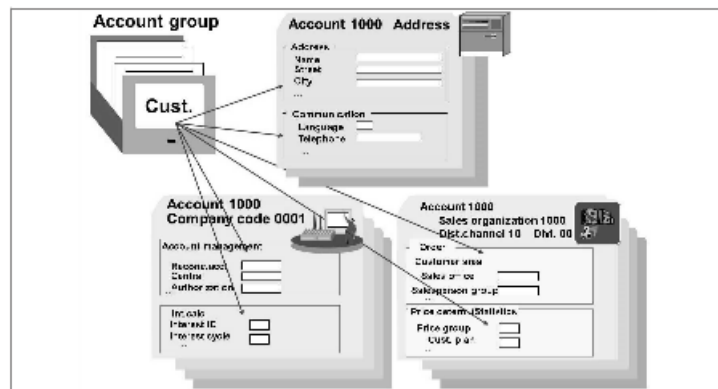


Figure 55: Status of the Fields in the Master Record

The account group controls the fields displayed in the master record. For example, to ensure that all correspondence has complete address information, you must change the field status so that all the address fields are marked as required entry.

Controlling the Field Status

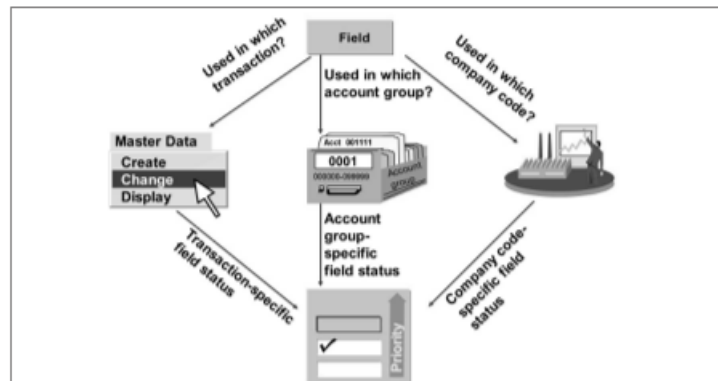


Figure 56: Controlling the Field Status

The layout of customer or vendor master data screens can be affected by the following factors:

Control	Description
Account group-specific	The account group controls the field status. This means that all accounts of one account group have the same screen layout.
Transaction-dependent	The master data transaction, such as <i>Create</i> , <i>Change</i> , or <i>Display</i> , controls the field status. If a field such as <i>Reconciliation Account</i> is not to be changed after it has been created, the transaction-dependent field status should be set to <i>Display</i> for the <i>Change</i> transaction.
Company code-dependent	The company code-specific screen layout controls the field status for fields in the company code segment of customer and vendor master records. You can hide the unused fields in a specific company code, while making them visible and entering values in other company codes. For example, if a company code does not want to use the dunning program, you can hide the relevant fields for this company code.

The account group-specific field status, the transaction-specific field status, and the company code-specific field status are compared and the field status with the highest priority is used.

Fields accessed with the *Display* transaction setting are always either displayed or suppressed because you cannot make an entry in a *Display* transaction.

If you do not want to use the transaction-specific or company code-specific control, set the field status to *Optional*. Since this field status has the lowest priority, the account group-specific control is always used.

Unit 2

Exercise 9

Maintain Field-Status Configuration

Business Example

Customer and vendor master data is created and maintained by the accounting department. You must configure the fields for search terms in the vendor master data. Due to the hierarchy of field status priority, a required entry can be suppressed. Check the account group and the transaction-dependent fields for creating vendor master records and change the configuration if necessary.

1. Check whether the fields for the search terms are required entry fields in the master record.
2. Check whether the field *Search term B* (Search term 2) is defined as a required entry in the account group.
3. Check the transaction-dependent field for creating vendor master records.
4. Explain why the search term field was suppressed.

Maintain Field-Status Configuration

Business Example

Customer and vendor master data is created and maintained by the accounting department. You must configure the fields for search terms in the vendor master data. Due to the hierarchy of field status priority, a required entry can be suppressed. Check the account group and the transaction-dependent fields for creating vendor master records and change the configuration if necessary.

1. Check whether the fields for the search terms are required entry fields in the master record.
 - a) On the SAP Easy Access screen, choose *Accounting* → *Financial Accounting* → *Accounts Payable* → *Master Records* → *Change*. Alternatively, enter transaction code **FK02**.

- b) Enter the following values:

Field Name or Data Type	Values
Vendor	Vendor##
Company Code	GR##
Address	✓

- c) Choose *Enter*.
Only one field is displayed for *Search term 1/2*.
2. Check whether the field *Search term B* (Search term 2) is defined as a required entry in the account group.
 - a) In Customizing, choose *Financial Accounting (New)* → *Accounts Receivable and Accounts Payable* → *Vendor Accounts* → *Master Data* → *Preparations for Creating Vendor Master Data* → *Define Account Groups with Screen Layout (Vendors)*.
 - b) Double-click your account group **K##**.
 - c) Double-click *General data* to display the field status.
 - d) Double-click *Address*.
 - e) Verify that *Search term B* is a *Req. Entry*.
3. Check the transaction-dependent field for creating vendor master records.
 - a) In Customizing, choose *Financial Accounting (New)* → *Accounts Receivable and Accounts Payable* → *Vendor Accounts* → *Master Data* → *Preparations for Creating Vendor Master Data* → *Define Screen Layout per Activity (Vendors)*.

- b) Double-click *Create Vendor (Accounting)*.
 - c) Double-click *General data* to display the field status.
 - d) Double-click *Address*.
 - e) If *Suppress* is selected as the field status for *Search term B*, change the status to *Req. Entry*.
 - f) Choose *Save and Back*.
 - g) Double-click *Change Vendor (Accounting)*.
 - h) Double-click *General data* to display the field status.
 - i) Double-click *Address*.
 - j) If *Suppress* is selected as the field status for *Search term B*, change the status to *Req. Entry*.
Data can now be entered in the field *Search term 2*. The definition of the transaction-dependent field status is not specific to a particular company code.

4. Explain why the search term field was suppressed.
 - a) Suppressing a field has the highest priority. The field status hierarchy is as follows:
 - a) Suppress
 - b) Display
 - c) Required
 - d) Optional

Dual Control Principle

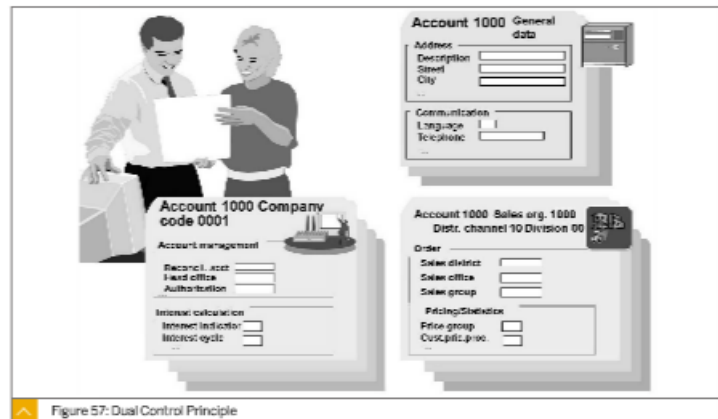


Figure 57: Dual Control Principle

According to the dual control principle, one person is allowed to make changes to customer or vendor master data while another is responsible for confirming these changes. This is usually done for critical customer or vendor changes.

Before applying the dual principle, define the fields for dual control in the customer or vendor master records in *Customizing*.

If you define a field in the customer or vendor master record as *Sensitive*, then the SAP ERP system blocks the payments for the corresponding customer or vendor if an entry is changed. The SAP ERP system only removes this block when an authorized person confirms or rejects the change.

You can confirm the changes for a single customer or vendor. Alternatively, you can get a list to confirm the changes.

The following fields are available to restrict the confirm changes list:

- Customer or vendor
- Company code
- Accounts not yet confirmed
- Accounts rejected
- Accounts to be confirmed

You can display the changes made to the customer or vendor master record for all accounts using reports RFDABL00 or RFKABL00.

Define Sensitive Fields

Business Example

The accounting manager decides that the type of vendor should be recorded in the first search term. In this example, the vendor types are supplies and equipment, while the second search term should have the company code number. Since the first search term is a sensitive field, the accounting manager must confirm all the changes in this field.

Define *Search Term 1* as a sensitive field and update the vendor master record. Confirm the changes.

1. Define *Search Term 1* as a sensitive field.
2. Update your vendor master record with the new information.
3. Confirm the changes that your nearest classmate made to their vendor master record.

Define Sensitive Fields

Business Example

The accounting manager decides that the type of vendor should be recorded in the first search term. In this example, the vendor types are supplies and equipment, while the second search term should have the company code number. Since the first search term is a sensitive field, the accounting manager must confirm all the changes in this field.

Define *Search Term 1* as a sensitive field and update the vendor master record. Confirm the changes.

1. Define *Search Term 1* as a sensitive field.

- In Customizing, choose *Financial Accounting (New) → Accounts Receivable and Accounts Payable → Vendor Accounts → Master Data → Preparations for Creating Vendor Master Data → Define Sensitive Fields for Dual Control (Vendors)*.
- Choose *New Entries*.
- Click the input help button beside the *Field name* field and double-click *ADRC-SORT1*.
- Choose *Save*.



Hint:
The definition of sensitive fields is not company code-specific. Therefore, this field may have already been set up by your instructor or another participant.

2. Update your vendor master record with the new information.

- On the *SAP Easy Access* screen, choose *Accounting → Financial Accounting → Accounts Payable → Master Records → Change*. Alternatively, enter transaction code *FK02*.
- Update the following entries:

Field Name or Data Type	Values
Vendor	Vendor##
Company Code	GR##
Address	✓

- Choose *Enter*.
- Enter the following values:

Field Name or Data Type	Values
Search term 1	Supplies
Search term 2	GR##

- Choose *Enter*.
 - Choose *Yes* to confirm changes.
 - Choose *Save*.
3. Confirm the changes that your nearest classmate made to their vendor master record.
- On the *SAP Easy Access* screen, choose *Accounting → Financial Accounting → Accounts Payable → Master Records → Confirmation of Change → Single*. Alternatively, enter transaction code *FK08*.
 - Update the following entries:

Field Name or Data Type	Values
Vendor	Vendor## of your nearest classmate
Company Code	GR## of your nearest classmate

- Choose *Enter*.
- Choose *Changes to Sensitive Fields* to check the changes.
- Double-click the field name to display detailed information about the changes.
- Choose *Back* twice.
- Choose *Confirm* to confirm your classmate's changes.
- Choose *Save*.

**LESSON SUMMARY**

You should now be able to:

- Manage customer and vendor accounts
- Create groups to maintain customer and vendor accounts
- Use one-time account master records
- Maintain the field status in customer and vendor accounts
- Use sensitive fields to ensure dual control

Unit 2

Learning Assessment

1. A chart of accounts must be assigned to every company code for which accounts are to be set up.

Determine whether this statement is true or false.

☐ True

☐ False

2. Which of the following information is entered in the chart of accounts segment of a G/L account??

Choose the correct answers.

☐ A Account number

☐ B Control fields

☐ C Consolidation fields

☐ D Currency fields

3. To use an account from the assigned chart of accounts in your company code, you must create a company code segment for the account.

Determine whether this statement is true or false.

☐ True

☐ False

4. In a balance sheet account, the balance is carried forward to a retained earnings account and the balance sheet account is set to zero.

Determine whether this statement is true or false.

☐ True

☐ False

5. Name the segments that are parts of a G/L account.

6. Which field status has the lowest priority?

Choose the correct answer.

- ☐ A Required entry
- ☐ B Hide
- ☐ C Optional entry
- ☐ D Display

7. All postings to the subledger accounts are automatically posted to the assigned reconciliation accounts.

Determine whether this statement is true or false.

- ☐ True
- ☐ False

8. When you create a G/L account, the SAP ERP system uses the company code local currency as the default account currency.

Determine whether this statement is true or false.

- ☐ True
- ☐ False

9. Which of the following options can you use to change the G/L account master data using collective processing?

Choose the correct answers.

- ☐ A Change chart of accounts data
- ☐ B Change company code data
- ☐ C Change client level data
- ☐ D Change account descriptions

10. Different accounts of one operational chart of accounts can refer to the same group account.

Determine whether this statement is true or false.

- ☐ True
- ☐ False

11. The country chart of accounts number (alternative account number) is entered in every chart of account segment.

Determine whether this statement is true or false.

- ☐ True
- ☐ False

12. You can save a segment in the master data of a profit center.

Determine whether this statement is true or false.

- ☐ True
- ☐ False

13. In many business cases, particularly in logistics, you have to enter the segment manually.

Determine whether this statement is true or false.

- ☐ True
- ☐ False

14. The profit center is the best object from which segments can be uniformly derived.

Determine whether this statement is true or false.

- ☐ True
- ☐ False

15. Segments have a time reference.

Determine whether this statement is true or false.

- ☐ True
- ☐ False

16. Segments are assigned to a hierarchy.

Determine whether this statement is true or false.

- ☐ True
☐ False

17. It is possible to assign the same segment to multiple profit centers.

Determine whether this statement is true or false.

- ☐ True
☐ False

18. Which of the following segments contains the general data of a customer or vendor that can be accessed throughout the organization?

Choose the correct answer.

- ☐ A Organization level
☐ B Client level
☐ C Company code
☐ D Account level

19. In Financial Accounting, after the customer or vendor account is created, you can no longer change the account group.

Determine whether this statement is true or false.

- ☐ True
☐ False

20. A one-time account master record contains information about a specific customer or vendor.

Determine whether this statement is true or false.

- ☐ True
☐ False

21. Customer and vendor accounts can use the same number ranges.

Determine whether this statement is true or false.

- ☐ True
☐ False

22. The field status entries in individual areas, such as account group, activity, and company code, compete with each other and the field status with the highest priority is used.

Determine whether this statement is true or false.

- ☐ True
☐ False

Learning Assessment - Answers

1. A chart of accounts must be assigned to every company code for which accounts are to be set up.

Determine whether this statement is true or false.

- ☒ True
☐ False

2. Which of the following information is entered in the chart of accounts segment of a G/L account??

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- ☒ A Account number
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Determine whether this statement is true or false.

- ☐ True
☒ False

5. Name the segments that are parts of a G/L account.

The segments that are parts of a G/L account are: the chart of accounts segment and the company code segment.

6. Which field status has the lowest priority?

Choose the correct answer.

- ☐ A Required entry
☐ B Hide
☒ C Optional entry
☐ D Display

7. All postings to the subledger accounts are automatically posted to the assigned reconciliation accounts.

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17. It is possible to assign the same segment to multiple profit centers.

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Determine whether this statement is true or false.

- ☒ True
☐ False

20. A one-time account master record contains information about a specific customer or vendor.

Determine whether this statement is true or false.

- ☐ True
☒ False

21. Customer and vendor accounts can use the same number ranges.

Determine whether this statement is true or false.

- ☐ True
☒ False

22. The field status entries in individual areas, such as account group, activity, and company code, compete with each other and the field status with the highest priority is used.

Determine whether this statement is true or false.

- ☒ True
☐ False

UNIT 3

Document Control

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UNIT OBJECTIVES

- Maintain the structure of FI documents
- Prepare the control elements of the document header
- Use posting keys to control elements of line items
- Configure the field status of line items in FI documents
- Manage posting period variants
- Manage posting authorizations
- Post simple FI documents

Configuring the Header and Line Items of Financial Accounting (FI) Documents

LESSON OVERVIEW

This lesson explains how to configure the header and line items of FI documents.

Business Example

Every day, hundreds of financial documents are created in a company. To simplify their storage, the original documents have to be divided into different categories. The internal auditors prefer that all documents for authorized expenses be identified by a unique document type and originate from a separate number range.

Various business transactions require different types of data within a document. Some data is mandatory for specific postings. The customer wants a detailed description that justifies the expenses to be entered for each item in the account for authorized expenses. For this reason, you require an understanding of the following:

- How to classify accounting documents
- How to display accounting documents
- How accounting documents are structured



LESSON OBJECTIVES

After completing this lesson, you will be able to:

- Maintain the structure of FI documents
- Prepare the control elements of the document header
- Use posting keys to control elements of line items
- Configure the field status of line items in FI documents

Document Structure

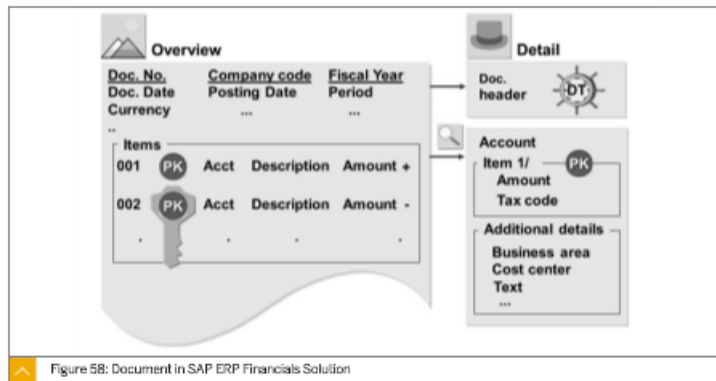


Figure 58: Document in SAP ERP Financials Solution

The SAP ERP application is based on the document principle, which implies the following course of action:

1. A document is saved for every business transaction posting.
2. The document remains as a complete unit in the system until it is archived.
3. Every document is uniquely identified by the following fields:
 - Document Number
 - Company code
 - Fiscal Year

Documents in SAP ERP Financial solutions contain the following details:

Component	Information
A document header	This component contains information that applies to the entire document.

Component	Information
Line Items	Each posted accounting document has at least two lines (for example, debit and credit) and a maximum of 999 line items. This information is specific to the line item. When you post documents using an AC interface, such as Sales Order Management, or Purchasing Management, the AC interface creates items in the accounting document that are identical in almost all of the fields. If you want to summarize accounting documents, read SAP Note 36353. You can also refer to the other related SAP Notes specified.

Control Keys

You can display detailed data for the document header and line items.

There are two important control keys:

- Document type for the document header.
- Posting key for the line items.

The SAP ERP application generates at least one document for every business transaction. Each document is assigned a unique document number. During internal number assignment, the document number is assigned by the SAP ERP application. During external number assignment, the user assigns the document number in the *Document Number* field.

A business transaction can create one or more documents. For example, when goods arrive from a vendor, the SAP ERP application creates a material document to record data that is important for inventory management. An accounting document is created to record financially relevant information, such as accounts data and amounts related to the general ledger.

In the SAP ERP application, documents are generated for various business transactions without an accounting document being generated at the same time because accounting is not affected by document generation. An example of this is the generation of a purchase order in Materials Management, which does not result in the generation of an accounting document.

Related documents are linked in the SAP ERP application, which gives you an overview of every business transaction in SAP ERP.

Report *RFBELJ00* allows you to create a compact document journal in the SAP ERP application. The document journal contains a table of the most important data from the document headers and line items of the selected documents.

You can use reports *RFBUEB00* and *RFBUEB01* to locate documents in the SAP ERP application.

Creation of Document Types

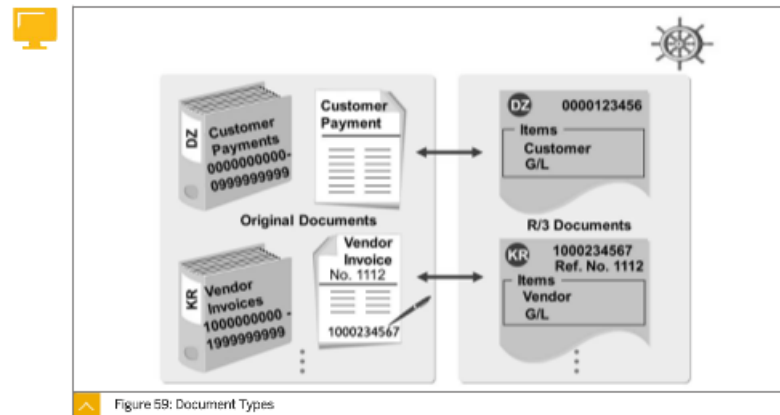


Figure 59: Document Types

The document type controls the document header and helps differentiate the business transactions that need to be posted.

Since document types are defined at the client level, they are valid for all company codes. The SAP ERP application is delivered with document types that can be changed or copied.

Document types define the following elements:

- Number range for the Document Type

Each document type must have a number range assigned to it.

- Reverse Document Type

The document type specified in the field Reverse Document Type is used when a reversal transaction is undertaken in the SAP ERP application. If you do not specify a reversal document type, the system uses the posted document type for reversal.

- Account types allowed for postings

In the Account type allowed section, specify the Account type – Assets, Customer, Vendor, Material, G/L account that you want to post to.

- Control data

In this section, you select the *Net Document Type* field, which is only valid for document types used for vendor invoices. Selecting this indicator reduces the total amount due by the cash discount amount specified by the payment terms on the invoice.

This section also includes the following fields:

- Customer/Vendor check
- Negative Postings permitted
- Inter-company postings
- Enter trading partner
- Required during document entry

By selecting *Reference Number* and *Document Header Text*, you make each of these fields a required entry in the document header.

Important Standard Document Types

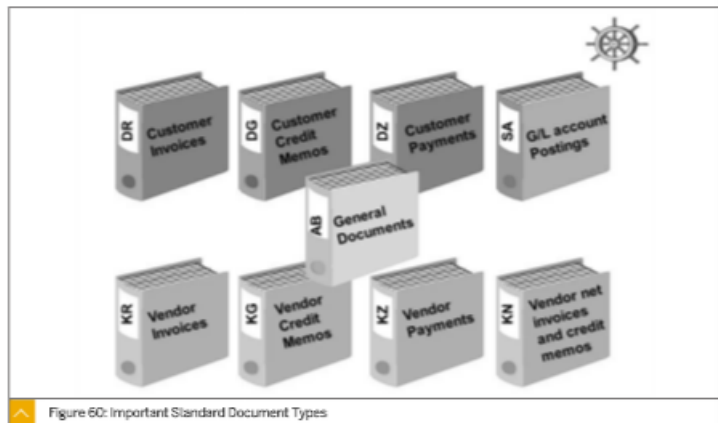


Figure 60: Important Standard Document Types

Document type AB allows postings to all account types.

For all other document types, limit the types of accounts you can post to. For example, document type DG allows you to post to customer (D) and general ledger accounts (S) only.

To transfer billing documents from the SAP ERP billing application, you need one of the following document types:

- RV: The default document type for Sales Order Management billing documents (customer invoices).
- RE: The default document type for Materials Management billing documents (vendor invoices).

With internal number assignment, the SAP ERP application assigns a new number to each document in the Financial Accounting component. With external number assignment, the application transfers the billing document number to the accounting document, provided that this number has not already been assigned.

The payment program uses the document type ZP for most of its automatic postings.

Document Number Ranges

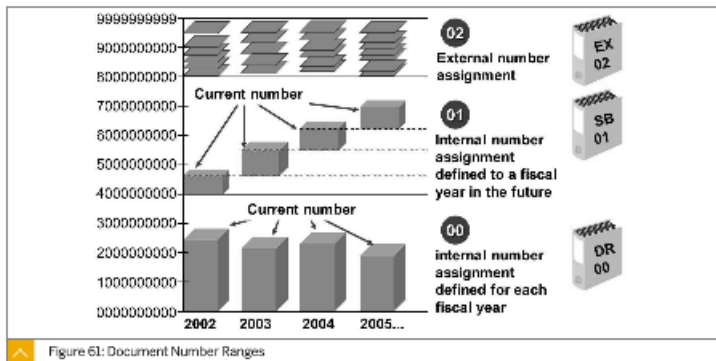


Figure 61: Document Number Ranges

The document number range defines the range of numbers that is assigned to document numbers. These number ranges must not overlap.

The following types of number assignments are possible in the SAP ERP application:

- Internal numbering

In this type of numbering, the SAP ERP application saves the last document number taken from the number range in the *Current Number* field. The application then assigns the number following the current number as the next document number. Refer to the examples 00 and 01 in the figure.

- External number assignment

In this type of numbering, the user enters the number of the original document or the number is automatically transferred from another system. Since the numbers are not assigned in sequence, the SAP ERP application cannot store a current number as shown in example 02 in the figure. The numbering can be alphanumeric.

The document number range must be defined for the year in which it is used.

Options for Defining Document Number Ranges

The following options are available for defining the document range:

- Continuous

At the beginning of a new fiscal year, the SAP ERP application continues to use the number after the current number as the next number. The application does not restart at the first number of the number range.

- For every fiscal year

At the beginning of a new fiscal year, the SAP ERP application starts with the first number of the number range. This ensures that the number range is sufficient.



Note:

If you map the ledger solution in new General Ledger Accounting, then different ledgers can use different fiscal year variants.

It is necessary to fix the following special settings for these ledgers in Customizing:

- Document number ranges are stored for the general ledger view.
- The number ranges are assigned to the document types for the general ledger view.

Internal number assignment must be set for these number ranges.

In Customizing, choose *Financial Accounting (New)* → *Financial Accounting Global Settings (New)* → *Document* → *Document Type* → *Define Document Types for Entry View in a Ledger*.

One number range can be assigned to several document types. You can copy the intervals of document number ranges from one company code to another or copy intervals from one fiscal year to another.

You can use report *RFBNUM00* to find gaps in document number assignment.

Unit 3

Exercise 11

Create a Number Range and Document Type

Business Example

A company creates hundreds of financial documents every day. To simplify their storage, the documents have to be divided into different categories.

The internal auditors would like all documents for authorized expenses to be identified by a unique document type and to use a separate number range.

The authorization number from the accounting executive must be entered in the document header.

Create a document type and assign the new document range to it.

1. Create a number range (85; 8500000000-8599999999; internal number assignment) and create document type ## for authorized expense documents (see business scenario, name: Authorized Expense ##). The reversal document type is AB. Enable postings on vendor master records and general ledger accounts. Make the reference field in the document header a required entry field.
2. Create the new Document Type and assign it to document number range 85 (8500000000-8599999999) to the new document type.

Create a Number Range and Document Type

Business Example

A company creates hundreds of financial documents every day. To simplify their storage, the documents have to be divided into different categories.

The internal auditors would like all documents for authorized expenses to be identified by a unique document type and to use a separate number range.

The authorization number from the accounting executive must be entered in the document header.

Create a document type and assign the new document range to it.

1. Create a number range (85; 8500000000-8599999999; internal number assignment) and create document type ## for authorized expense documents (see business scenario, name: Authorized Expense ##). The reversal document type is AB. Enable postings on vendor master records and general ledger accounts. Make the reference field in the document header a required entry field.

a) In Customizing, choose *Financial Accounting (New) → Financial Accounting Global Settings (New) → Document → Document Number Ranges → Documents in Entry View → Define Document Number Ranges for Entry View*.

b) Enter the company code GR##.

c) Choose *Change Intervals*.

d) Choose *Insert Line*.

e) Enter the following data:

Field Name or Data Type	Values
N...	85
Year	Current year
From No.	8500000000
To Number	8599999999
NR Status	0
Ext.	Blank

f) Choose *Enter*.

g) Choose *Save*.

h) Confirm the message on the dialog box *Number Range Interval Transport* with *Enter*.

2. Create the new Document Type and assign it to document number range 85 (8500000000-8599999999) to the new document type.

a) In Customizing, choose *Financial Accounting (New) → Financial Accounting Global Settings (New) → Document → Document Types → Define Document Types for Entry View*.

b) Choose *Edit → New Entries*.

c) Enter the following data:

Field Name or Data Type	Values
Document Type	##
Number range	85
Reverse Document Type	AB
Account Types allowed:	
Assets	Do not select
Customer	Do not select
Vendor	✓
Material	Do not select
G/L account	✓
Required during document entry:	
Reference number	✓

d) Choose *Save*.

e) Choose *Back* to return to the previous screen.

f) Enter the name *Authorized expense##* in the *Description* field.

g) Choose *Save*.

Unit 3

Exercise 12

Classify the Document Type for Document Splitting

Prepare the document type for document splitting.

1. To enable posting, classify the new document type ## for document splitting. For this, an additional Customizing setting is required in new General Ledger Accounting.



Note:

For more information about document splitting, refer to the corresponding lesson in the Posting Control Unit.

Classify the Document Type for Document Splitting

Prepare the document type for document splitting.

1. To enable posting, classify the new document type ## for document splitting. For this, an additional Customizing setting is required in new General Ledger Accounting.



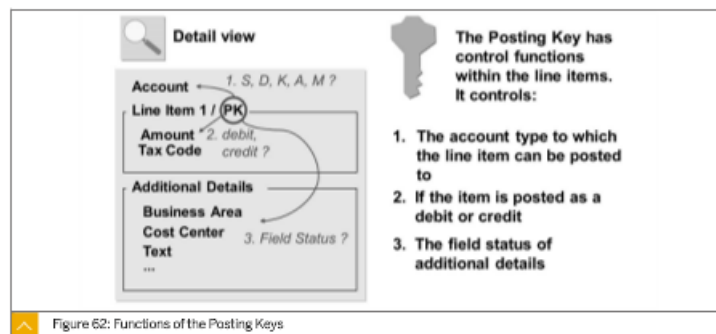
Note:
For more information about document splitting, refer to the corresponding lesson in the Posting Control Unit.

- a) In Customizing, choose *Financial Accounting (New) → General Ledger Accounting (New) → Business Transactions → Document Splitting → Classify Document Types for Document Splitting*.
- b) Choose *Position* to select document type ##.
- c) Enter the following values:

Field Name or Data Type	Values
Transac...	0300 (Vendor invoice)
Variant	0001

- d) Choose *Save*.

Posting Keys



Similar to document types, posting keys are also defined at client level.

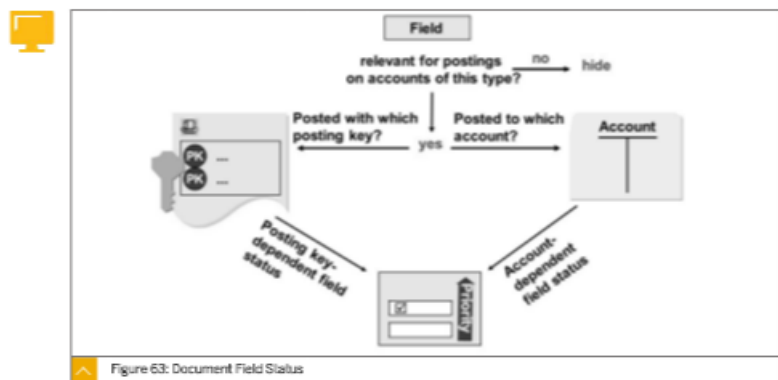
In addition to the control functions mentioned in the figure, the posting key also specifies the following features:

- Whether the line item is connected to a payment transaction. You will need this information to analyze the payment history and create payment notices.
- Whether the posting is sales-relevant and the sales figure of the account will be updated by the transaction. For example, by the posting of a customer invoice.

The following default values for posting keys are provided in Customizing for the SAP ERP application:

- For G/L account posting: Debit is posting key 40, credit is posting key 50.
- For customer invoices: Debit is posting key 01, credit is posting key 11.
- For customer invoices: Debit is posting key 21, credit is posting key 31.

Document Field Status and Field Status Groups



When you enter documents, the SAP ERP application displays several fields. The fields displayed depend on the transaction and the accounts that you are using. For example, when you post expenses, you have to specify the cost center and tax data. In contrast, you do not need to specify this information when you post cash. The field status controls the information to be entered and displayed when a document is processed.

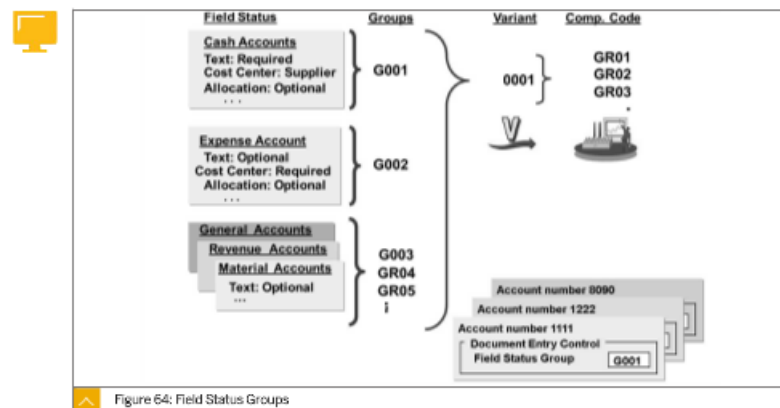
As with the field statuses defined for fields in G/L accounts, the field status with the higher priority is used. The priority is shown in the figure.

The following exceptions are applicable to this rule:

- If business areas are used, the *business area* field must be ready for input. You can activate it by enabling business area financial statements for the company code. You can only use the field status to define whether the field is a required or an optional entry field.
- Entries in tax fields are only possible if the general ledger account is relevant for tax.

The *Hide* field status cannot be combined with the *Required Entry* field status. This combination causes an error.

Field Status Groups



For each group of general ledger accounts (such as cash accounts and expense accounts) you need to define the status of every document entry field. When you enter the documents for these general ledger accounts, you must decide if the text field is required, optional, or hidden. Similarly, when you enter the documents for general ledger accounts, you need to decide if the *cost center* field is required, optional, or hidden.

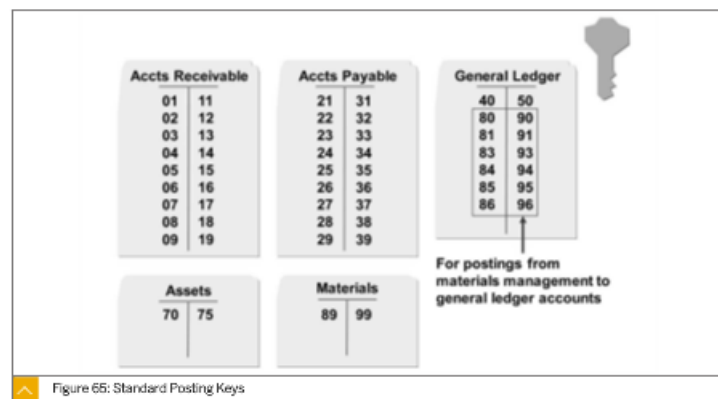
The SAP ERP application divides this information into field status groups for each group of general ledger accounts. You assign field status groups to the respective general ledger accounts in the general ledger accounts master records. The field status groups are summarized in one field status variant.

The field status variant is assigned to your company code(s). You cannot make a posting until the field status variant is complete. Typically, you assign the same field status variant to all your company codes so that the same field status information applies across the company codes.

Various field status groups are available in the standard SAP ERP application. It is recommended that you copy the standard field status groups and modify the copies as necessary.

If a document is posted to a subledger account, the field status group of the reconciliation account is used.

Standard Posting Keys



SAP recommends that you use the standard posting keys delivered. If you change them or define new posting keys, any tables containing a reference to these keys must also be updated.

Posting keys for assets and materials may only be used if the corresponding SAP components are configured.

You can change the field status definitions of posting keys and the field status group to make the field status transaction-dependent or account-dependent. Since subledger accounts do not have a field status group, postings are differentiated by means of different posting keys. For this reason, there are numerous posting keys for subledger accounts.

Postings to general ledger accounts are differentiated by means of different field status groups. As a result, only two posting keys, 40 and 50, are required for general ledger account postings.

Unit 3

Exercise 13

Create a Field Status Group and Assign It to a G/L Account

Business Example

To track the types of cars that are rented, you need to make the *Text* field a required entry for line items for the sports car rental expense account. Create the new field status group FS## with the description Authorized Expenses##.

Create the new field status group, make the *Text* field a required entry, and assign the field status group to the general ledger account.

1. Create the new field status group FS## by copying field status group G001 in field status variant 1000.
2. Make the *Text* field a required entry. Change the field status in the field status group.
3. Assign the field status group to the general ledger account for sports car rental expense AE02##.

Create a Field Status Group and Assign It to a G/L Account

Business Example

To track the types of cars that are rented, you need to make the *Text* field a required entry for line items for the sports car rental expense account. Create the new field status group *FS##* with the description *Authorized Expenses##*.

Create the new field status group, make the *Text* field a required entry, and assign the field status group to the general ledger account.

1. Create the new field status group *FS##* by copying field status group *G001* in field status variant *1000*.
 - a) In Customizing, choose *Financial Accounting (New)* → *Financial Accounting Global Settings (New)* → *Ledgers* → *Fields* → *Assign Company Code to Field Status Variants*.
 - b) Write down the field status variant (*Fld stat. var.*) assigned to your company code.
 - c) In Customizing, choose *Financial Accounting (New)* → *Financial Accounting Global Settings (New)* → *Ledgers* → *Fields* → *Define Field Status Variants*.
 - d) Select the field status variant assigned to your company code.
 - e) In the *Dialog Structure*, double-click *Field status groups* and select *G001*.
 - f) Choose *Edit* → *Copy as...*
 - g) Enter the following data:

Field Name or Data Type	Values
<i>Field status group</i>	FS##
<i>Text</i>	Authorized Expenses##

- h) Choose *Enter*.
- i) Choose *Save*.



Note:
Do not exit this screen yet.

2. Make the *Text* field a required entry. Change the field status in the field status group.

- a) Double-click *FS##*.
- b) Double-click *General data*.
- c) Select *Req. Entry* for *Text*.
- d) Choose *Save*.
3. Assign the field status group to the general ledger account for sports car rental expense *AE02##*.
 - a) On the *SAP Easy Access* screen, choose *Accounting* → *Financial Accounting* → *General Ledger* → *Master Records* → *G/L Accounts* → *Individual Processing* → *In Company Code*. Alternatively, enter transaction code *FSS0*.
 - b) Enter the following data:

Field Name or Data Type	Values
<i>G/L Account</i>	AE02##
<i>Company Code</i>	GR##

- c) Choose *G/L account* → *Change*.
- d) Select the *Create/bank/interest* tab page.
- e) Enter the following data:

Field Name or Data Type	Values
<i>Field status group</i>	FS##

- f) Choose *Save*.



Note:
You have created a new field status group and assigned it to your sports car rental expense account.

**LESSON SUMMARY**

You should now be able to:

- Maintain the structure of FI documents
- Prepare the control elements of the document header
- Use posting keys to control elements of line items
- Configure the field status of line items in FI documents

Unit 3

Lesson 2

Managing Posting Periods

LESSON OVERVIEW

This lesson explains how to manage posting periods.

Business Example

The accounting department determines that the subledgers are closed at the end of a posting period. However, general ledger accounts stay open longer to reconcile the general ledgers in Financial Accounting and Controlling for the last period. For this reason, you require an understanding of open and closed posting periods for different account types.

**LESSON OBJECTIVES**

After completing this lesson, you will be able to:

- Manage posting period variants

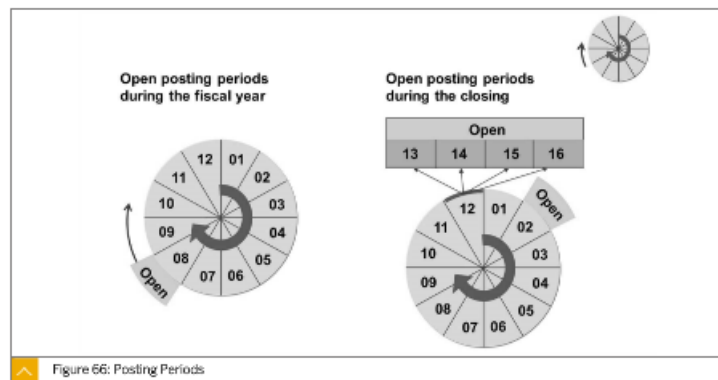
Posting Period Variants

Figure 66: Posting Periods

Posting periods are defined in the fiscal year variant.

To prevent documents from being posted to an incorrect posting period, you can close certain posting periods.

Usually the current posting period is open and all other periods are closed. At the end of a period, this period is closed and the next period is opened. You open a posting period by entering a range in the posting period variant that encompasses this period. You can have as many posting periods open as desired.

During fiscal year closing, you can open special periods for closing postings.

Maintenance of a Posting Period Variant

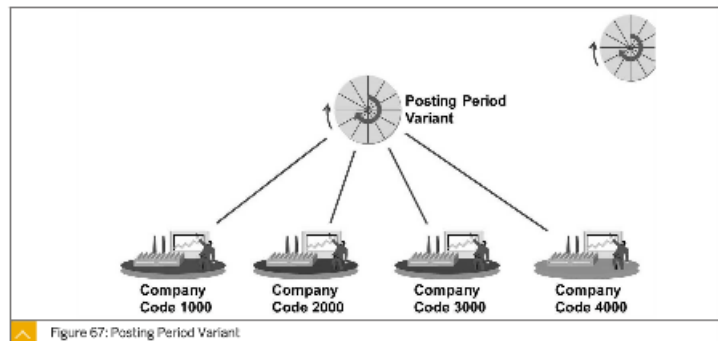


Figure 67: Posting Period Variant

Several company codes can use the same posting period variant. Thereby, the posting periods are opened and closed simultaneously for all company codes to which the posting period variant is assigned (Variant Principle).

Period Checks by Account Type

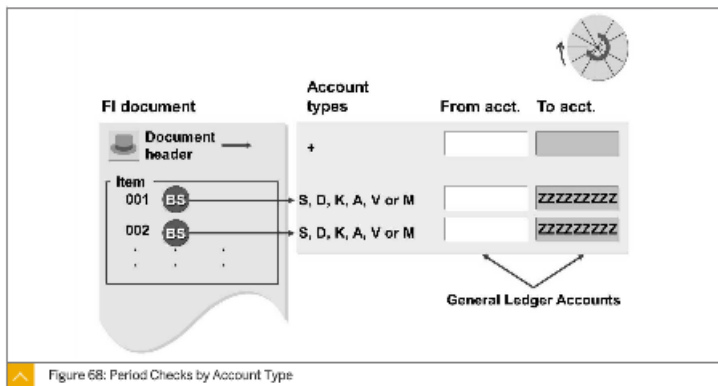


Figure 68: Period Checks by Account Type

In the document header, the periods assigned to the account type + are checked first.

Therefore, the account type + must be open for all periods that are supposed to be open for any other account type, and the posting period variant must contain at least the account type +. If the posting periods for different account types are all to be handled in the same way, control by means of the + entry is sufficient.

Posting periods can be handled differently for different account types. For a certain posting period, postings to customer accounts may be permitted while postings vendor accounts may be restricted.

At the line item level, the SAP ERP application checks the account type of the posting key to ensure that the period is open for the assigned account type.

The account interval always contains general ledger accounts. By entering specific reconciliation accounts for subledger account types, the subledger accounts can be treated differently than accounts that have a different reconciliation account.

First Two Period Intervals

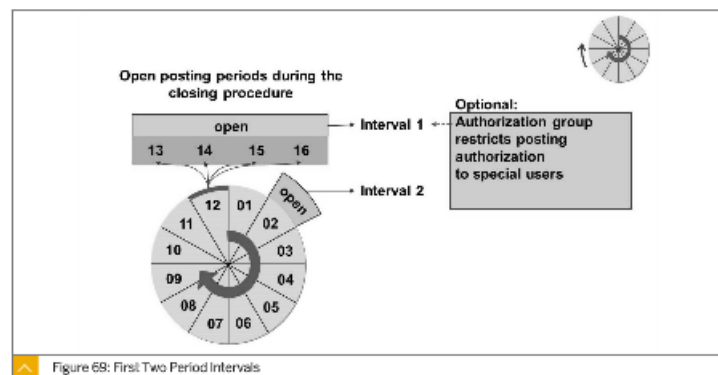


Figure 69: First Two Period Intervals

During fiscal year closing, two period intervals must be open at the same time. For this reason, you can enter two period intervals in the posting period table.

You can assign an authorization group to the first period interval. Users belonging to this authorization group have the permission to post in this interval. When you want special periods with authorization check, use the first range for these periods. Authorize only those accountants who are involved in the closing, to post in the special periods.

The user must have the authorization for the authorization object *F_BKPF_BUP* (accounting document: Authorization for posting periods) with the same value in the field *authorization group* as in the posting period table.

With new General Ledger Accounting, a third period interval is displayed. In this interval, open periods are stored for the real-time integration CO → FI.

The third interval controls whether FI postings triggered from CO are allowed to be posted in the periods. If the third interval is not filled, the entries in intervals 1 and 2 are also valid for these postings.

With new General Ledger Accounting, you have the option of controlling the values for which individual account assignment objects can be posted, and when. For example, it should be possible to post to profit center 1000, even though the person responsible for profit center 2000 does not want to permit any more postings. A new section in *Customizing, Opening and Closing Posting Periods by General Ledger Account Assignment Objects*, covers this feature.

Determination of Posting Periods



Entry

Transaction: Invoice

Basic Data: Payment, Tax, Detail, Memo

Vendor: Vendor#

Invoice Date: 11/06/2005

Post. Date: 11/12/2005

Reference:

Doc. Type: CO

System determines

Accounting document

Doc. Type: CO

Period: 11

Fiscal year: 2005

Reporting trans. figures for account separated acc. to periods

Period	Debit	Credit
...		
10	0.00	0.00
11	2,412.00	15,411.00
12	0.00	0.00
...		

Figure 70: Determination of Posting Periods During Posting

When entering a document, you enter the posting date. The SAP ERP application automatically determines the posting period and the fiscal year based on the posting date entered.

The SAP ERP application determines the posting period and updates the transaction figures for each posting period.

If you display the balance of an account, the transactions figures for the posting periods are displayed.

Unit 3

Exercise 14

Create and Maintain Posting Period Variants

Business Example

The accounting department determines that subledgers should be closed at the end of a posting period. However, the general ledger accounts should stay open longer to enable the general ledger in Financial Accounting to be reconciled with Controlling for the period.

Create a posting period variant.

1. Create a posting period variant *PP##* with the name *Posting Periods GR##*. Fulfill the requirements of the accounting department that the subledgers are only open for the current month, while the general ledger is open for both the current month and the previous month.
2. Define the periods in your variant.



Note:

You can either create new intervals or copy from existing intervals.

3. Assign this posting period variant to your company code.

Create and Maintain Posting Period Variants

Business Example

The accounting department determines that subledgers should be closed at the end of a posting period. However, the general ledger accounts should stay open longer to enable the general ledger in Financial Accounting to be reconciled with Controlling for the period.

Create a posting period variant.

1. Create a posting period variant **PP##** with the name *Posting Periods GR##*. Fulfill the requirements of the accounting department that the subledgers are only open for the current month, while the general ledger is open for both the current month and the previous month.
 - a) In Customizing, choose *Financial Accounting (New) → Financial Accounting Global Settings (New) → Ledgers → Fiscal Year and Posting Periods → Posting Periods → Define Variants for Open Posting Periods*.

- b) Choose *Edit → New Entries*.

- c) Enter the following data:

Field Name or Data Type	Values
Variant	PP##
Name	Posting periods GR##

- d) Choose *Save*.

2. Define the periods in your variant.



Note:
You can either create new intervals or copy from existing intervals.

- a) In Customizing, choose *Financial Accounting (New) → Financial Accounting Global Settings (New) → Ledgers → Fiscal Year and Posting Periods → Posting Periods → Open and Close Posting Periods*.
- b) Choose *Edit → New Entries*.
- c) Enter the following data:

Table 3: First Item

Field Name or Data Type	Values
Var.	PP##
A	+ Valid for all account types
From acco...	Blank
To account	Blank
From per.1	Previous month
Year	Previous month's year
To per.1	Current month
Year	Current year

Table 4: Second Item

Field Name or Data Type	Values
Var.	PP##
A	D Customers
From acco...	Blank
To account	ZZZZZZZZZZ
From per.1	Current month
Year	Current year
To per.1	Current month
Year	Current year

Table 5: Third Item

Field Name or Data Type	Values
Var.	PP##
A	K Vendors
From acco...	Blank
To account	ZZZZZZZZZZ
From per.1	Current month
Year	Current fiscal year

Field Name or Data Type	Values
To per.1	Current month
Year	Current year

- d) Choose Save.
- e) Alternatively, to copy an existing interval, in Customizing, choose *Financial Accounting (New)* → *Financial Accounting Global Settings (New)* → *Ledgers* → *Fiscal Year and Posting Periods* → *Posting Periods* → *Open and Close Posting Periods*.
- f) Select account types D, K, and S for the 0001 posting variant.
- g) Choose *Edit* → *Copy As...* to overwrite the values with PP## in the Var. field.
- h) Choose Save.
3. Assign this posting period variant to your company code.
- a) In Customizing, choose *Financial Accounting (New)* → *Financial Accounting Global Settings (New)* → *Ledgers* → *Fiscal Year and Posting Periods* → *Posting Periods* → *Assign Variants to Company Code*.

- b) Enter the following data:

Field Name or Data Type	Values
CoCd	GR##
Variant	PP##

- c) Choose Save.



Note:

You have just performed the following tasks:

- a) Created a variant for open posting periods.
- b) Defined the dates of the periods that are open.
- c) Assigned the posting period variant to your company code.



LESSON SUMMARY

You should now be able to:

- Manage posting period variants

Managing Posting Authorizations

LESSON OVERVIEW

This lesson explains how to manage posting authorizations.

Business Example

The accounting manager wants to define different authorizations for posting large amounts for the accounting clerks. For this reason, you require an understanding of the following:

- Assigning users to tolerance groups
- Defining the amounts that tolerance groups are allowed to post

LESSON OBJECTIVES

After completing this lesson, you will be able to:

- Manage posting authorizations

Posting Authorization

The maximum amounts are defined per company code in **tolerance groups**. This is also where the processing of payment differences is controlled.

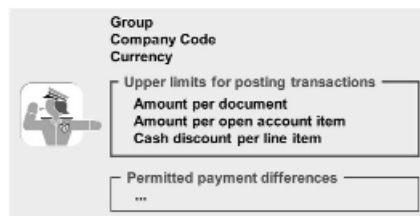


Figure 71: Maximum Amounts

In this section, you will focus on the upper limits for posting transactions within tolerance groups.

In *Define Tolerance Groups for Employees* in Customizing, define various upper amount limits for the employees.

Define the maximum tolerance for payment differences to determine the following aspects during a transaction posting and processing clearing transactions:

- What is the maximum document amount the employee is authorized to post?
(Amount per document: a total of all the debit line items or credit line items in a document.)
- What is the maximum amount the employee can enter as a line item in a customer or vendor account?
(Amount per open item.)
- What is the maximum cash discount percentage the employee can grant in a line item?
(Cash discount per line item.)
- What is the maximum acceptable tolerance for payment differences (over payment or under payment) for the employee?
(Revenue – over payment, expense – under payment.)

Assigning Posting Authorizations

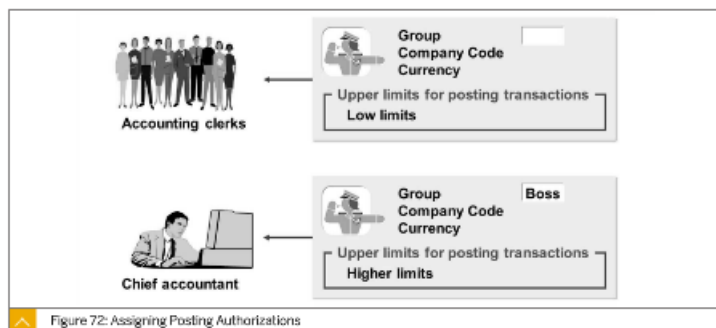


Figure 72: Assigning Posting Authorizations

You can create as many tolerance groups as you need. Every user can be explicitly assigned to a tolerance group.

If you do not assign users to any special tolerance group, then the entries in the blank tolerance group are valid for them.

The blank tolerance group usually contains values that apply to most employees. For employees, who have especially high or low limits, you need to create a special tolerance group. You can then assign the special group to their user logon IDs.

Unit 3

Exercise 15

Create a Tolerance Group and Assign It to a User

Business Example

The internal auditors have requested that the following maximum authorizations be defined for the accounting department:

- Accounting clerks
 - 500000 per document.
 - 300000 per open item.
 - 5% cash discount.
- Accounting manager
 - 5000000 per document.
 - 800000 per open item.
 - 10% cash discount.

Change an existing tolerance group, create a new one, and assign it to a user.

1. The tolerance group for accounting clerks is the *Blank* tolerance group. You must create a new tolerance group, *SUPV*, for the accounting supervisor. You need to consider the data in the business scenario. Modify the *Blank* tolerance group.
2. Assign the tolerance group of the accounting manager to your user.



Note:

You have just performed the following tasks:

- Created a new tolerance group for supervisors.
- Added new tolerance limits to your supervisor.
- Assigned the tolerance group of the supervisor to your user. This is an example of the variant principle.

Create a Tolerance Group and Assign It to a User

Business Example

The internal auditors have requested that the following maximum authorizations be defined for the accounting department:

- Accounting clerks
 - 500000 per document.
 - 300000 per open item.
 - 5% cash discount.
- Accounting manager
 - 5000000 per document.
 - 800000 per open item.
 - 10% cash discount.

Change an existing tolerance group, create a new one, and assign it to a user.

1. The tolerance group for accounting clerks is the *Blank* tolerance group. You must create a new tolerance group, *SUPV*, for the accounting supervisor. You need to consider the data in the business scenario. Modify the *Blank* tolerance group.
 - a) In Customizing, choose *Financial Accounting (New)* → *Financial Accounting Global Settings (New)* → *Document* → *Tolerance Groups* → *Define Tolerance Groups for Employees*.
 - b) Double-click your company code *GR##*.

- c) Enter the following data on the Change View "FI Tolerance Groups For Users": Details screen:

Field Name or Data Type	Value
Amount per document	500000
Amount per open item account item	300000
Cash discount per line item	5%

- d) Choose *Save* and *Back*.
- e) Select the *Tol. gr* (tolerance group) you just modified.

- f) Choose *Edit* → *Copy as*.

- g) Enter the following data on the Change View "FI Tolerance Groups For Users": Details of Selected Set screen:

Field Name or Data Type	Value
Group	SUPV
Company code	GR##
Amount per document	5000000
Amount per open item account item	800000
Cash discount per line item	10%

- h) Choose *Copy (Enter)*.

- i) Choose *Save*.

2. Assign the tolerance group of the accounting manager to your user.

- a) In Customizing, choose *Financial Accounting (New)* → *Financial Accounting Global Settings (New)* → *Document* → *Tolerance Groups* → *Assign User/Tolerance Groups*.

- b) Choose *Edit* → *New Entries*.

- c) Enter the following data on the New Entries: Overview of Added Entries screen:

Field Name or Data Type	Value
User name	Your user name
Tolerance group	SUPV

- d) Choose *Save*.



Note:

You have just performed the following tasks:

- Created a new tolerance group for supervisors.
- Added new tolerance limits to your supervisor.
- Assigned the tolerance group of the supervisor to your user. This is an example of the variant principle.

**LESSON SUMMARY**

You should now be able to:

- Manage posting authorizations

Unit 3

Lesson 4

Creating Simple Documents in FI

LESSON OVERVIEW

This lesson explains how to create simple FI documents.

Business Example

The customer has heard about the easy-to-use ENJOY transactions and wants to try them out. For this reason, you require an understanding of how to post simple documents in FI.

**LESSON OBJECTIVES**

After completing this lesson, you will be able to:

- Post simple FI documents

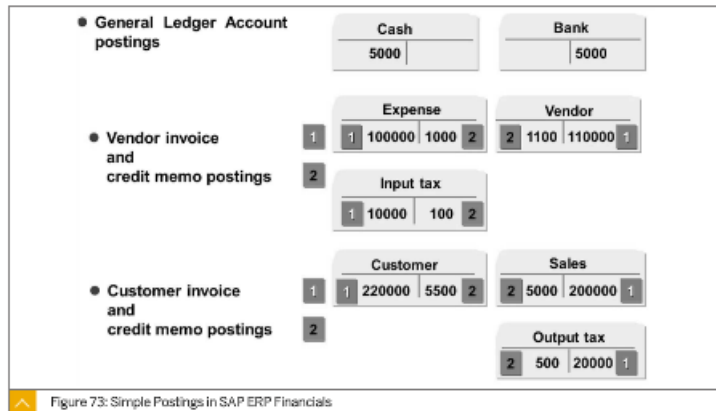
Simple FI Documents

Figure 73: Simple Postings in SAP ERP Financials

The SAP Financial Accounting component uses one posting transaction for the following types of postings:

- General ledger account postings

- Customer invoice postings
- Customer credit memo postings
- Vendor invoice postings
- Vendor credit memo postings

Using the ENJOY Posting Screen



Transaction Invoice

Basic Data Payment Tax Detail Note

Customer Account ## Invoice Date 06.06.2005 Doc. Type CI Posting Date 06.06.2005 Reference Amount 5 000 EUR Tax Amount AN (Output Tax) Text Company Code IDES Company Code

Customer: Isis T. Greaca 230 Sterling Ave Chicago IL 60610 United States

Bank Account 994885992

Figure 74: ENJOY Posting Screen – Header and First Line Item

In the document header, enter the general data for the posting document. The following are example fields:

- Invoice date
- Posting date
- Text

For entering invoice and credit memos received, you can define a document type for each transaction. This document type then appears as a general default value. You can overwrite this proposed document type at any time as long as the document type field is ready for input during document entry. If you do not define a document type, the system proposes standard document types (for example, using KR for entering vendor invoices).

The important input fields are in the foreground on the initial tab and the fields used less frequently are on the other tabs.

With customer and vendor invoices, you enter the business partner account data in this section together with the invoice or credit memo amount.

Then, when you choose *Enter*, the business partner master data is also displayed alongside the account name, address, and bank details.

You can display an open item list by choosing the *Open Items* button.

In addition to the header and item data, the entry screen also contains an information area where you can see the account balance.

You can use the Tree button to access and select the following templates:

- Screen variants



Transaction Invoice

Basic Data Payment Tax Detail Note

Customer Account ## Invoice Date 06.06.2005 Doc. Type CI Posting Date 06.06.2005 Reference Amount 5 000 EUR Tax Amount AN (Output Tax) Text Company Code IDES Company Code

Customer: Isis T. Greaca 230 Sterling Ave Chicago IL 60610 United States

Bank Account 994885992

G/L Acct	Short Text	DIC	Amount in Doc. Curr.	Tax Code
800200	Revenue	Credit	5 000	AN
		Credit		
		Credit		

Figure 75: ENJOY Posting Screen – Additional Line Items

You can enter additional line items for the document in the table at the lower portion of the screen. After you make and confirm your entries, the account name appears.

You can select different fields or columns and change their size and sequence. You can also copy line items.

Once the balance is zero, you can select one of the following tasks to complete the document entry transaction:

- Park
- Post
- Hold

You can still use the standard transaction for entering postings.

For complex postings, you can access a standard posting transaction through the menu. You cannot access the ENJOY screen from the standard posting transactions.

You can enter explanatory text for each line item. This line item text can be used internally as well as externally. To use the text for external purposes, for example, in Correspondence, Dunning notices, and Payment Advice, enter an asterisk (*) before the text.



Note:
The asterisk is removed for the printout.

In Customizing, you can define text templates under a four-digit key. When you enter the relevant key in the text field during document entry, these text templates are automatically copied into the line item.

Unit 3

Exercise 16

Post FI Documents

Business Example

Now that you have configured document control according to the requirements of the client, the client has asked you to test the settings you have created. Therefore, you need to post some simple documents in the SAP ERP application.



Caution:
Remember that you assigned the tolerance group of the Accounting Manager to your user in the last exercise. This means that the amount thresholds defined in the *SUPV* tolerance group also apply to you. If necessary, change your tolerance group to *Blank* again.

Post simple documents in Financial Accounting.

- 5,000 units of the local currency are drawn from the house bank account and put into petty cash. Post this transaction (cash account: 100000; account bank position: 113100, each with profit center: 1000).
Record the document number.
- Your Accounting Manager rented a car for an out-of-town conference. Post a vendor invoice for 110 units of the local currency to the vendor account you created earlier (Vendor##). Choose the *Calculate Tax* option. Use the tax code 11 (input tax 10%). Enter the A## authorization number that you received from the accounting manager in the *Reference* field. Post the expense to profit center PR## and the sports car rental expense AE02## account that you created. Use document type ## and enter a description (Conference ##) in the required *Text* field in the line item.
Make a note of the document number.



Hint:
If you cannot enter the document type in the document header, choose the *Editing options* button to view the *Accounting Editing Options* screen. From the *Doc.type option* dropdown list, choose *4 Entry with short name*.

- While at the conference, the Accounting Manager took clients out to dinner. Post an additional invoice for 330 units of the local currency to the entertainment expense account AE01## using the same criteria as in the previous task.
Record your new document number.

4. Post a customer invoice for 220000 to your customer account. Choose the *Calculate tax* option. Use the tax code 10 (output tax (course) 10%). Post to the revenue account 800200. Make a note of the document number.
5. Post a customer credit memo for 5,500 units of the local currency to the customer account you created earlier. Use the tax code 10 (output tax 10%) and revenue account 800200. Make a note of the document number.
6. To check the postings that you made, display the line items of your customer and vendor.

Unit 3

Solution 16

Post FI Documents

Business Example

Now that you have configured document control according to the requirements of the client, the client has asked you to test the settings you have created. Therefore, you need to post some simple documents in the SAP ERP application.



Caution:

Remember that you assigned the tolerance group of the Accounting Manager to your user in the last exercise. This means that the amount thresholds defined in the *SUPV* tolerance group also apply to you. If necessary, change your tolerance group to *Blank* again.

Post simple documents in Financial Accounting.

1. 5,000 units of the local currency are drawn from the house bank account and put into petty cash. Post this transaction (cash account: 100000; account bank position: 113100, each with profit center: 1000).
Record the document number.
 - a) On the *SAP Easy Access* screen, choose *Accounting* → *Financial Accounting* → *General Ledger* → *Document Entry* → *Enter G/L Account Document*. Alternatively, enter transaction code *FB50*.
 - b) Enter the following data on the *Enter G/L Account Document* screen:



Note:

If prompted, enter your company code, **GR##** and choose *Enter*.

Field Name or Data Type	Values
Basic Data	
<i>Document Date</i>	Current date
<i>Posting Date</i>	Current date
First Item	
<i>G/L acct</i>	100000
<i>D/C</i>	S Debit

Field Name or Data Type	Values
Amount in doc.curr.	5000
Profit center	1000
Second Item	
G/L acct	113100
D/C	H Credit
Amount in doc.curr.	5000
Profit center	1000

- Choose Document → Simulate.
 - Check the document.
 - Double-click a line item to display or change data and choose Back.
 - Choose Post to save the document.
 - Make a note of the document number.
2. Your Accounting Manager rented a car for an out-of-town conference. Post a vendor invoice for 110 units of the local currency to the vendor account you created earlier (Vendor##). Choose the Calculate Tax option. Use the tax code 11 (input tax 10%). Enter the A## authorization number that you received from the accounting manager in the Reference field. Post the expense to profit center PR## and the sports car rental expense AE02## account that you created. Use document type ## and enter a description (Conference ##) in the required Text field in the line item. Make a note of the document number.

**Hint:**

If you cannot enter the document type in the document header, choose the *Editing options* button to view the *Accounting Editing Options* screen. From the *Doc.type* option dropdown list, choose *4 Entry with short name*.

- On the SAP Easy Access screen, choose *Accounting* → *Financial Accounting* → *Accounts Payable* → *Document Entry* → *Invoice*. Alternatively, enter transaction code FB60.
- Enter the following data on the *Enter Vendor Invoice* screen:

Field Name or Data Type	Values
Basic Data	
Vendor	Vendor##
Invoice Date	Current date

Field Name or Data Type	Values
Reference	A##
Posting Date	Current date
Document Type If this option is not displayed on the screen, follow the steps in the hint above.	01 01 Authorized expenses##
Amount	110
Currency	Company code currency
Calculate tax	Select
Tax Code	11 (Input tax 10%)
Items	
G/L acct	AE02##
D/C	S Debit
Amount in doc.curr.	110
T..	11
Text	Conference ##
Profit center	PR##

- Choose Document → Simulate.
- Check the document.
- Double-click a line item to display or change data and choose Back.
- Choose Post to save the document.
- Make a note of the document number.

**Hint:**

If no profit center is specified by or derived by a controlling object for an affecting account, in the IDES system the default profit center NGL_4020 REWE Training is set automatically by substitution.

- While at the conference, the Accounting Manager took clients out to dinner. Post an additional invoice for 330 units of the local currency to the entertainment expense account AE01## using the same criteria as in the previous task. Record your new document number.
 - Enter the following data on the *Enter Vendor Invoice* screen:

Field Name or Data Type	Values
Basic Data	
Vendor	Vendor##
Invoice Date	Current date
Reference	A##
Posting Date	Current date
Document Type	01 01 Authorized expenses##
Amount	330
Currency	Company code currency
Calculate tax	Select
Tax Code	11 (Input tax 10%)
Items	
G/L acct	AE02##
D/C	S Debit
Amount in doc.curr.	330
T..	11
Text	Dinner ##
Profit center	PR##

- c) Choose *Document* → *Simulate*.
- d) Check the document.
- e) Choose *Post* to save the document.
- f) Record your new document number.
4. Post a customer invoice for 220000 to your customer account. Choose the *Calculate tax* option. Use the tax code 10 (output tax (course) 10%). Post to the revenue account 800200. Make a note of the document number.
- a) On the *SAP Easy Access* screen, choose *Accounting* → *Financial Accounting* → *Accounts Receivable* → *Document Entry* → *Invoice*. Alternatively, enter transaction code FB70.
- b) Enter the following data on the *Enter Customer Invoice* screen:



Note:
If prompted, enter your company code, GR## using the *Company Code* button, then choose *Enter*.

Field Name or Data Type	Values
Basic Data	
Customer	Enter your customer
Invoice Date	Current date
Posting Date	Current date
Amount	220000
Currency	Company code currency
Calculate tax	Select
Tax code	10 (Output tax 10%)
Items	
G/L acct	800200
D/C	H Credit
Amount in doc.curr.	220000
T..	10 (Output tax (course) 10%)
Profit center	PR##

- c) Choose *Document* → *Simulate*.
- d) Check your document.
- e) Double-click a line item to display or change data and choose *Back*.
- f) Choose *Post* to save the document.
- g) Record your document number.
5. Post a customer credit memo for 5,500 units of the local currency to the customer account you created earlier. Use the tax code 10 (output tax 10%) and revenue account 800200. Make a note of the document number.
- a) On the *SAP Easy Access* screen, choose *Accounting* → *Financial Accounting* → *Accounts Receivable* → *Document Entry* → *Credit Memo*. Alternatively, enter transaction code FB75.
- b) Enter the following data on the *Enter Customer Credit Memo* screen:

Field Name or Data Type	Values
Basic Data	
Customer	Enter your customer
Document Date	Current date
Posting Date	Current date
Amount	5500
Currency	Company code currency
Calculate tax	Select
Tax code	10 (Output tax 10%)
Items	
G/L acct	800200
D/C	S Debit
Amount in doc.curr.	5500
T..	10 (Output tax 10%)
Profit center	PR##

- c) Choose *Document* → *Simulate*.
- d) Check the document.
- e) Double-click a line item to display or change data and choose *Back*.
- f) Choose *Post* to save the document.
- g) Make a note of the document number.
6. To check the postings that you made, display the line items of your customer and vendor.
- a) On the *SAP Easy Access* screen, choose *Accounting* → *Financial Accounting* → *Accounts Receivable* → *Account* → *Display/Change Line Items*. Alternatively, enter transaction code **FBL5N**.
- b) Enter the following data on the *Customer Line Item Display* screen:

Field Name or Data Type	Values
Customer account	Enter your customer
Company code	GR##

- c) Choose *Execute*.

- d) On the *SAP Easy Access* screen, choose *Accounting* → *Financial Accounting* → *Accounts Payable* → *Account* → *Display/Change Line Items*. Alternatively, enter transaction code **FBL1N**.

- e) Enter the following data on the *Vendor Line Item Display* screen:

Field Name or Data Type	Values
Vendor account	Vendor##
Company code	GR##

- f) Choose *Execute*.



Note:
You have just posted two vendor invoices, a customer credit memo, and a customer invoice. You displayed the line items to check the line items.

**LESSON SUMMARY**

You should now be able to:

- Post simple FI documents

Unit 3**Learning Assessment**

1. A fiscal year variant defines the number of periods in the fiscal year.

Determine whether this statement is true or false.

☐ True

☐ False

2. Document types are created at company code level.

Determine whether this statement is true or false.

☐ True

☐ False

3. Which of the following statements is correct for external number assignment?

Choose the correct answer.

☐ A The number is the last document number.

☐ B The number is automatically assigned.

☐ C The number is entered by the user.

☐ D The number must be assigned in a sequence.

4. In external number assignment, the numbering must be numeric.

Determine whether this statement is true or false.

☐ True

☐ False

5. A number range can only be assigned to a single document type.

Determine whether this statement is true or false.

- ☐ True
☐ False

6. For general ledger account posting, which one of the following standard posting keys is for debit?

Choose the correct answer.

- ☐ A 01
☐ B 31
☐ C 40
☐ D 50

7. You can only use posting keys for assets and materials if the corresponding SAP components are installed.

Determine whether this statement is true or false.

- ☐ True
☐ False

8. It is possible for several company codes to use the same posting period variant.

Determine whether this statement is true or false.

- ☐ True
☐ False

9. If you do not assign users to any special tolerance group, then the entries in the default tolerance group are valid for them.

Determine whether this statement is true or false.

- ☐ True
☐ False

10. You can create as many tolerance groups as you need.

Determine whether this statement is true or false.

- ☐ True
☐ False

11. Which of the following tolerance groups must every company code always have?

Choose the correct answer.

- ☐ A Blank
☐ B Special
☐ C Defined
☐ D Named

12. You can only complete the document entry transaction once the account balance is zero.

Determine whether this statement is true or false.

- ☐ True
☐ False

Learning Assessment - Answers

1. A fiscal year variant defines the number of periods in the fiscal year.

Determine whether this statement is true or false.

☒ True

☐ False

2. Document types are created at company code level.

Determine whether this statement is true or false.

☐ True

☒ False

3. Which of the following statements is correct for external number assignment?

Choose the correct answer.

☐ A The number is the last document number.

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☒ C The number is entered by the user.

☐ D The number must be assigned in a sequence.

4. In external number assignment, the numbering must be numeric.

Determine whether this statement is true or false.

☐ True

☒ False

5. A number range can only be assigned to a single document type.

Determine whether this statement is true or false.

☐ True

☒ False

6. For general ledger account posting, which one of the following standard posting keys is for debit?

Choose the correct answer.

☐ A 01

☐ B 31

☒ C 40

☐ D 50

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Choose the correct answer.

☒ A Blank

☐ B Special

☐ C Defined

☐ D Named

12. You can only complete the document entry transaction once the account balance is zero.

Determine whether this statement is true or false.

☐ True

☒ False

UNIT 4

Posting Control

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UNIT OBJECTIVES

- Analyze document splitting
- Maintain default values
- Configure change control
- Configure document reversal
- Configure terms of payment
- Prepare cash discounts
- Prepare taxes
- Configure tax codes
- Configure the basic settings for cross-company code transactions
- Post cross-company code transactions
- Configure real-time integration
- Post documents using real-time integration

Unit 4 Lesson 1

Analyzing Document Splitting

LESSON OVERVIEW

This lesson explains the concept of document splitting.

Business Example

SAP provides document splitting functionality to ensure zero balances for objects below the company code level. You want to produce complete balance sheet reports on the segment level. For this reason, you require an understanding of the following:

- The concept of document splitting in new General Ledger Accounting
- The difference between active and passive document splitting
- The methods for entering document splitting in Customizing



LESSON OBJECTIVES

After completing this lesson, you will be able to:

- Analyze document splitting

Views in New General Ledger (G/L) Accounting



- A Financial Accounting (FI) document always has two views in new G/L Accounting:
 - General ledger view:
How the document appears in the general ledger (leading ledger) and non-leading ledgers
 - Data entry view (or entry view):
How the document appears to the document creator and, therefore, how it is shown in the subledgers

Displaying a document in the entry view and the general ledger view is defined in new General Ledger Accounting and cannot be switched on or off using Customizing.

In classic General Ledger Accounting, you can display a document in one view only, which corresponds to the entry view of new General Ledger Accounting.

Document Splitting



New General Ledger Accounting offers the following aspects for a **balance sheet analysis below the company code level**, for example for segment reporting:

- » The Profit Center, Segment, and Business Area entities, which are by default part of the new General Ledger Accounting totals table (FAGLFLEX).

Table FAGLFLEX

CC	BS	Acc.	Description	Amount	Curr.	Tx	CCtr	PC	Segment
AA00	1	31	1000	Vendor X	11.000	EUR			
	2	40	417000	Purch. Services	4.000	EUR		SEG A	
	3	40	417000	Purch. Services	6.000	EUR		SEG B	
	4	40	154000	Input Tax	1.000	EUR			

- » FI drilldown reports based on the totals table FAGLFLEX.

Table FAGLFLEX

CC	BS	Acc.	Description	Amount	Curr.	Tx	CCtr	PC	Segment
AA00	1	31	1000	Vendor X	11.000	EUR			
	2	40	417000	Purch. Services	4.000	EUR		SEG A	
	3	40	417000	Purch. Services	6.000	EUR		SEG B	
	4	40	154000	Input Tax	1.000	EUR			

Requirement: All posting lines must be assigned to segments (or profit centers, or business areas).

Entry View

CoCd	Item	BS	Account	Description	Amount	Curr.	Segment	
AA00	1	31	1000	Vendor X	11.000	EUR		
	2	40	417000	Purch. Services	4.000	EUR	SEG A	
	3	40	417000	Purch. Services	6.000	EUR	SEG B	
	4	40	154000	Input Tax	1.000	EUR		

Solution: Document Splitting

Figure 76: Document Splitting

You can display the profit and loss statement using the following objects:

- Profit center
- Business area
- Segment

Line items are not displayed as split in the entry view.

The line items are displayed as split in the general ledger view when using document splitting.



Note:

Document splitting is only for customers who have to or want to enter a further reporting characteristic. For example, a customer may want to enter a segment on the balance sheet in addition to the company code.

Document Splitting – Active Split



Mapped business transaction:

- » Vendor invoice with **multiple expense line items** and different account assignments (with 10% tax)

Entry View:

CC	P	BS	Acc.	Description	Amount	Curr.	Tx	CCtr	PC	Segment
AA00	1	31	1000	Vendor X	11.000,00	EUR				
	2	40	417000	Purch. Costs	1.000,00	EUR		1000	1000	SEGA
	3	40	417000	Purch. Services	9.000,00	EUR		4140	1402	SEGB
	4	40	154000	Input Tax	1.000,00	EUR				

General Ledger View:

CC	P	BS	Acc.	Description	Amount	Curr.	Tx	CCtr	PC	Segment
AA00	1	31	100000	Vendor Payable	11.000,00	EUR			1000	SEGA
	2	40	417000	Advert. Costs	1.000,00	EUR		1000	1000	
	4	40	154000	Input Tax	100,00	EUR			1000	
	1	31	100000	Vendor Payable	9.000,00	EUR			1402	SEGB
	3	40	417000	Purch. Services	9.000,00	EUR		4140	1402	
	4	40	154000	Input Tax	900,00	EUR			1402	

Document Splitting is active in the accounting system.

Figure 77: Document Splitting – Active Split

Where you do not enter them explicitly, the splitting characteristics are transferred to the posting line items, based on rules you define in Customizing. In the figure, the balance of the profit center and segment characteristics is zero.

The figure also shows the vendor and tax lines in the general ledger view. The vendor and tax lines (items 1 and 4) are split in accordance with the expense lines (items 2 and 3, and expense accounts 477000 and 417000).

Document splitting, also known as an online split, enables companies to create complete balance sheets for objects.

If you do not activate document splitting, then there is no difference between the entry view and the general ledger view.

Document Splitting in Customizing



- Document splitting is activated in Customizing on the client level.
- In a further step, you can activate or deactivate splitting in each company code.

- Inheritance** means that when you create a customer invoice from a revenue line, for example, the (unique) characteristics are inherited by the customer and tax lines in the general ledger view.
- The **Default Account Assignment** can be used to fill all account assignments that could not be derived from the posting with a constant value.

Figure 78: Activating Document Splitting

You activate document splitting in Customizing.

The SAP ERP application provides splitting method 0000000012 as the default procedure to make modifications. You copy the default procedure to a custom entry, such as Z000000012.



Note:
You activate document splitting for each client and deactivate it for each company code. However, the decision to split documents is made at company code level. All company codes of a client can only use the same document splitting procedure.

Inheritance and Default Account Assignment Concepts

You can enable the following settings when you activate document splitting:

Concept	Description
Inheritance	If an account assignment object is unique, the object is inherited online in all missing positions. The indicator for Inheritance should always be set when activating document settings.

Concept	Description
Default Account Assignment (Standard A/C Assignment)	If no value is entered or derived for a splitting characteristic during document posting, then a default value, such as a profit center or segment, can be set automatically. To use default account assignment, you must first define a constant in Customizing.

Note that using a default value can reduce data quality. When you use a default value, the constant replaces every missing object and the incorrect document splitting rules are hard to identify and correct. To use default account assignment, carry out a test without default values. This helps you locate any possible errors.

Steps in Document Splitting



- You can divide the document splitting process into three simplified steps:
 - Passive document splitting
 - Active (rule-based) document splitting
 - Creating clearing lines or zero balance formation

The following steps occur in the document splitting process:

Split Type	Description	Example
Passive	During clearing, the entities, such as segments of the document being cleared, are copied to the clearing document without any change.	During a payment, an incoming invoice is assigned to multiple accounts. The incoming invoice is divided over two segments, A and B, in the proportion 60:40. During clearing, the payment is split 60:40 over the segments. This is seen only in the General Ledger View.
Active	For documents that do not show clearing, you can create individual distribution rules in Customizing. You can create rules to specify the portions of a document that are divided according to certain basic positions. The document type is the basis for the rule.	An incoming invoice assigned to multiple accounts.

Split Type	Description	Example
Creating clearing lines or zero balance formation	This function is used if, in addition to the total document, the objects to be balanced within the document (for example, profit center or segment) have to be balanced to zero.	Without this function, a transfer posting from segment A to segment B on the same account creates two line items. Zero balance formation creates two further clearing lines.

**Caution:**

Note 1085921 describes document splitting in detail and contains various PDF attachments with examples. You can activate document splitting subsequently by migrating the existing data (scenario 6).

Document splitting settings cannot be changed after this. This information is mentioned in Note 891144: New G/L Document Splitting: Risks of Subsequent Changes. In contrast to other topics in accounting, it is not possible to make a correction using a program due to the complex storage of information in multiple tables, FAGLFLEX* and FAGL_SPLINFO (totals table, objects tables, and split table).

Unit 4

Exercise 17

Post a Document with Document Splitting

Business Example

An outgoing invoice is divided and assigned to different objects (two profit centers with various segments). You require the receivables and tax to be split according to the revenue lines.

In this exercise, when the values include ##, replace the characters with the number that your instructor assigned you.

1. Enter a customer invoice for the revenues. Use the following data:

Field Name or Data Type	Values
Customer	Your customer
Invoice date	Current date
Amount	110000
Calculate tax	Deselect
Tax Amount	10000
Tax Code	10 (Output tax 10%)
Text	Other sales group ##
Company Code	GR##
First Item	
G/L acct	800200
Amount in doc.curr.	60000
Profit center	PR##
Segment	SERV
Second Item	
G/L acct	800200
Amount in doc.curr.	40000
Profit center	1000
Segment	CONS

**Note:**

Before saving, you need to simulate your document. With the classic simulation option, you can see the subsequent Entry View for the FI document. To ensure that the characteristics *Profit Center* and *Segment* are visible in all the document lines, you need to continue with simulating the General Ledger View.

To show the below parameters and information, navigate from the General Ledger View simulation and proceed to Expert Mode:

- In the *Configuration of Doc. Splitting* screen area:
 - Deriv. via Doc. Type.
 - Business Transaction.
 - Business Transaction Variant.
- In the *Document Display* screen area:
 - Item category of the base item.
 - The posting item category based on which the split is calculated.

To complete, leave Expert Mode and the General Ledger View simulation and post your document.

Unit 4

Solution 17

Post a Document with Document Splitting

Business Example

An outgoing invoice is divided and assigned to different objects (two profit centers with various segments). You require the receivables and tax to be split according to the revenue lines.

In this exercise, when the values include ##, replace the characters with the number that your instructor assigned you.

1. Enter a customer invoice for the revenues. Use the following data:

Field Name or Data Type	Values
<i>Customer</i>	Your customer
<i>Invoice date</i>	Current date
<i>Amount</i>	110000
<i>Calculate tax</i>	Deselect
<i>Tax Amount</i>	10000
<i>Tax Code</i>	10 (Output tax 10%)
<i>Text</i>	Other sales group ##
<i>Company Code</i>	GR##
First Item	
<i>G/L acct</i>	800200
<i>Amount in doc.curr.</i>	60000
<i>Profit center</i>	PR##
<i>Segment</i>	SERV
Second Item	
<i>G/L acct</i>	800200
<i>Amount in doc.curr.</i>	40000
<i>Profit center</i>	1000
<i>Segment</i>	CONS

**Note:**

Before saving, you need to simulate your document. With the classic simulation option, you can see the subsequent Entry View for the FI document. To ensure that the characteristics *Profit Center* and *Segment* are visible in all the document lines, you need to continue with simulating the General Ledger View.

To show the below parameters and information, navigate from the General Ledger View simulation and proceed to Expert Mode:

- In the *Configuration of Doc. Splitting* screen area:
 - Deriv. via Doc. Type.
 - Business Transaction.
 - Business Transaction Variant.
- In the *Document Display* screen area:
 - Item category of the base item.
 - The posting item category based on which the split is calculated.

To complete, leave Expert Mode and the General Ledger View simulation and post your document.

- a) On the *SAP Easy Access* screen, choose *Accounting* → *Financial Accounting* → *Accounts Receivable* → *Document Entry* → *Invoice*. Alternatively, enter transaction code **FB70**.
- b) Enter the invoice using the data provided in the exercise.
- c) To simulate the document using the classic simulation option, choose *Document* → *Simulate*.
- d) Choose *Back* and confirm the information message to continue.
- e) To simulate the General Ledger View, choose *Document* → *Simulate General Ledger*. The characteristics *Profit Center* and *Segment* must be visible in all the document lines.
- f) Select the *Amount* column and choose *Total* to create an overall total. Then, select the *Segment* column and choose *Subtotals...* to create a subtotal.
- g) Choose *Settings* → *Layout* → *Save*.
- h) Enter the following data:

Field Name or Data Type	Values
Layout	GR##
Name	Subtotal for each segment

- i) Select the *User-Specific* and *Default* settings and press ENTER.

- j) To proceed to *Expert Mode*, choose *Views* → *Expert Mode*.

- k) Show the following values:

Field Name or Data Type	Values
Deriv. via Doc. Type	DR
Business Transaction	0200
Business Transaction Variant	0001
Item/Acct Assgmt Cat.	Base Line 3/4
Posting items based on which the receivables amount (=> account 140000) is split	Revenue item lines 800200 (30000) and 175000 (05100)

- l) Choose *Continue* and then choose *Back*.
- m) Choose *Document* → *Simulate*.
- n) In the application toolbar, choose *Complete*.

**LESSON SUMMARY**

You should now be able to:

- Analyze document splitting

Unit 4

Lesson 2

Maintaining Default Values

LESSON OVERVIEW

This lesson explains how to maintain default values.

Business Example

When executing SAP transactions you not want to constantly enter the same data. Therefore, you set default values for fields in the SAP ERP application. For this reason, you require the following knowledge:

- An understanding of default values
- An understanding of how to configure user-specific default values
- An understanding of how to determine default values in the system and the configuration

**LESSON OBJECTIVES**

After completing this lesson, you will be able to:

- Maintain default values

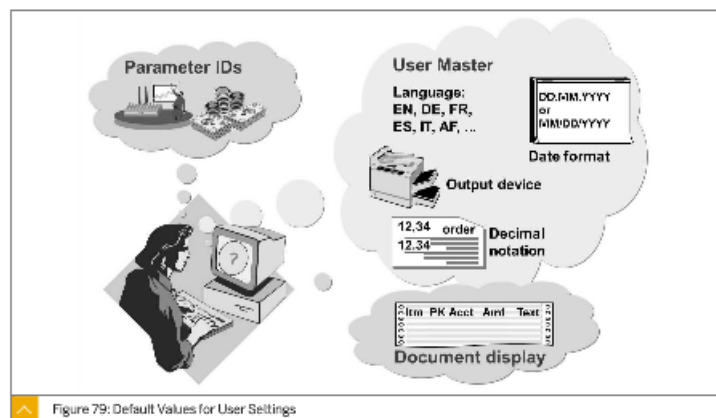
Default Values in the Master Record

Figure 79: Default Values for User Settings

Parameter IDs allow users to set default values for fields whose values do not change often, such as company code and currency fields. When you execute a transaction, the default values automatically appear in their corresponding fields. By displaying pre-defined values instead of manually entering them, you can prevent input errors.

You can use the editing options to configure the following areas on screen:

- **Receipt entry**
Users can *hide* certain fields that may not be required, such as fields for foreign currency and cross-company code transactions. You can also use special editing options for single screen transactions.
- **Document display**
Users can use the List Viewer to select different display options to display their documents.
- **Open items**
Users can choose line layout displays and posting options to process open items. For example, they can enter a partial payment or the balance of the new open item.

When users log on to the SAP ERP application, specific properties apply to their user IDs throughout the application.

Some examples of user-specific properties are as follows:

- Logon language
- Date format
- Decimal notation

Users can also configure a default printer for themselves.

To simplify user maintenance, perform the following steps:

1. Create a dummy user.
2. Maintain the values in accordance with the accounting requirements.
3. Copy this user.

System and Accounting Defaults

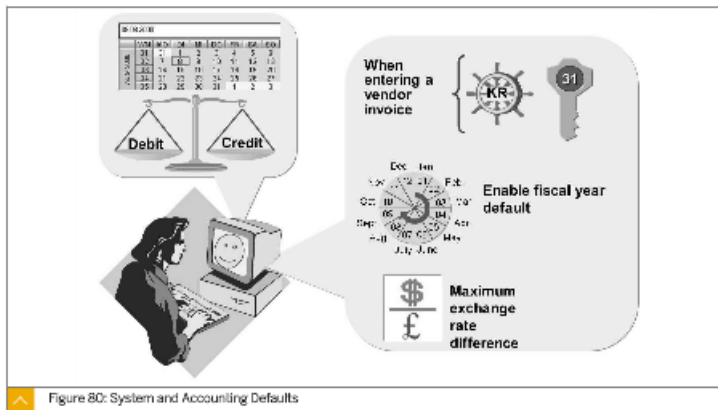


Figure 80: System and Accounting Defaults

The SAP ERP provides basic default values for document entry. For example, during document entry, the application proposes the current date as the posting date. Assume that you have already entered a document and have used a specific company code. For the next document, the SAP ERP proposes the same company code that you entered in the last document.

The SAP ERP works on the basis of the document principle; all documents must balance to zero before they can be posted.

When you enter different business transactions in accounting, the SAP ERP offers predefined values for the following fields:

- Document types
- Posting keys

For example, when a vendor invoice has document type KR the credit posting is carried out with posting key 31.

Proposed Fiscal Year

In the SAP ERP, you can control whether the fiscal year is proposed when you display or change documents. If the fiscal year is proposed in company codes with year-specific document number assignment, then the SAP ERP proposes the document number of the last processed document and the relevant fiscal year. You can also propose the CPU date as the value date.

At company code level, you can enter the maximum permitted difference between the following exchange rates:

- The exchange rate in the document header of a business transaction
- The exchange rate in the exchange rate table

The SAP ERP issues a warning message if it determines that the maximum percentage difference between the exchange rates has been exceeded. This helps you to recognize incorrect entries.

Unit 4

Exercise 18

Maintain Default Values

Business Example

The user wants to enter data only once. Therefore, you want to define default values in the system.

Answer the following questions and configure the corresponding default values in the system.

1. To ensure that the user cannot accidentally change the document type during document entry, choose the necessary settings.
2. The value date is necessary for reflecting the transaction in Cash Management. Activate the function that proposes the value date when processing a document.
3. Set the maximum exchange rate variance for your company to 5%. Currently, the maximum exchange rate variance is 10%, but the financial accountant is concerned that this percentage is too high.

Maintain Default Values

Business Example

The user wants to enter data only once. Therefore, you want to define default values in the system.

Answer the following questions and configure the corresponding default values in the system.

1. To ensure that the user cannot accidentally change the document type during document entry, choose the necessary settings.
 - a) On the SAP Easy Access screen, choose *Accounting* → *Financial Accounting* → *General Ledger* → *Document Entry* → *Enter G/L Account Document*. Alternatively, enter transaction code `FB50`.
 - b) In the application toolbar, choose *Editing Options*.
 - c) At the bottom of the screen, in the *Doc. type option* field, select *Document type hidden*.
 - d) Save the entries.
 - e) On the SAP Easy Access screen, choose *Accounting* → *Financial Accounting* → *Accounts Receivable* → *Document Entry* → *Invoice*. Alternatively, enter transaction code `FB70`.
 - f) Repeat steps (b), (c), and (d).
 - g) On the SAP Easy Access screen, choose *Accounting* → *Financial Accounting* → *Accounts Payable* → *Document Entry* → *Invoice*. Alternatively, enter transaction code `FB60`.
 - h) Repeat steps (b), (c), and (d).
2. The value date is necessary for reflecting the transaction in Cash Management. Activate the function that proposes the value date when processing a document.
 - a) In Customizing, choose *Financial Accounting (New)* → *Financial Accounting Global Settings (New)* → *Document* → *Default Values* → *Default Value Date*.
 - b) Scroll down to your CoCd (company code) GR## and select the *Proposed value date* function.
 - c) Choose *Save*.
3. Set the maximum exchange rate variance for your company to 5%. Currently, the maximum exchange rate variance is 10%, but the financial accountant is concerned that this percentage is too high.
 - a) In Customizing, choose *Financial Accounting (New)* → *Financial Accounting Global Settings (New)* → *Global Parameters for Company Code* → *Currencies* → *Maximum*

Exchange Rate Difference → *Define Maximum Exchange Rate Difference per Company Code*.

- b) Scroll down to your CoCd (company code) GR## and change the *Max. exch. rate dev.* field to **5%**.
- c) Choose *Save*.



Note:
You have just set system defaults that will impact future business transactions.

**LESSON SUMMARY**

You should now be able to:

- Maintain default values

Unit 4

Lesson 3

Configuring Change Control

LESSON OVERVIEW

This lesson explains how to configure change control.

Business Example

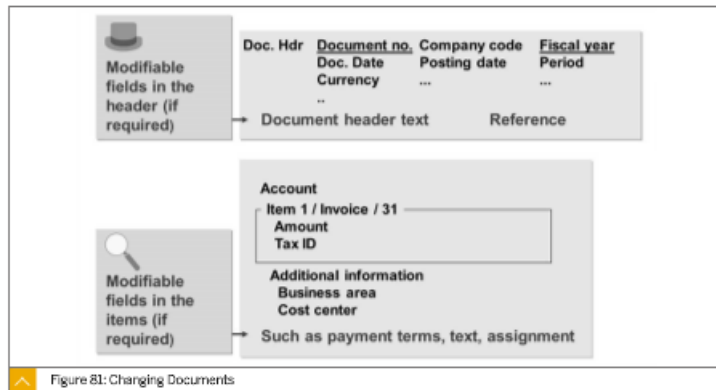
Once a document has been posted in the SAP ERP application, the accounting manager does not want users to be able to modify certain fields. For this reason, you require an understanding of the following:

- The rules governing changes to documents
- How to change documents
- How to analyze changes to documents

**LESSON OBJECTIVES**

After completing this lesson, you will be able to:

- Configure change control

Change Control

Users can change documents that they have already posted. However, based on different rules, users may only be able to change certain fields.

The following fields can be changed in a document:

- Document header
Reference number and document header text
- Line items
Assignment field, Text field, and Payment Terms

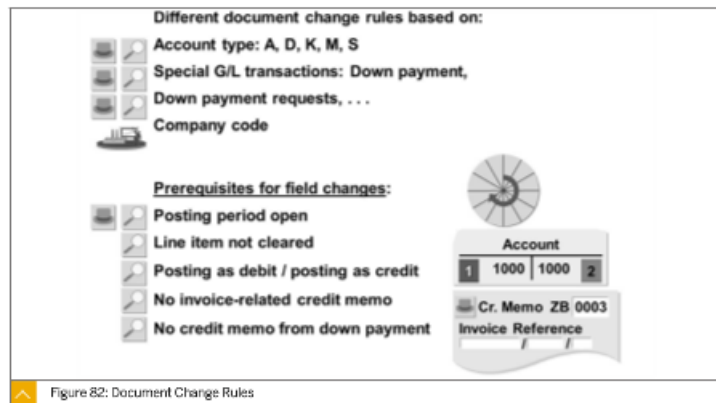


Note:
The amount, posting key, account, or any other fields that affect the reconciliation of a posting cannot be changed.

As users make changes to documents, the SAP ERP application logs the following information:

- The field that was changed
- The new and old values
- The user who made the change
- The time and date of the change

Document Change Rules



You can use the following criteria to differentiate between document change rules:

- Account type
The account type allows users to define rules for customer, vendor, and general ledger accounts.
- Transaction class
The transaction class is only used for the special general ledger transactions, such as bills of exchange and down payments.
- Company code
If the company code is left blank, the change rule applies to every company code in the client.

You can change a field under the following conditions:

- The posting period is still open.
- The line item is not yet cleared.
- The line item is either a debit in a customer account or a credit in a vendor account.
- The document is not a credit memo for an invoice.
- The document is not a credit memo from a down payment.

You can use report *RFBABLOO* to display the document changes for all documents.

This report provides the following selection options for documents that have changed:

- Company code
- Document numbers
- Fiscal year
- Change date
- User name of the person making the change

Unit 4

Exercise 19

Maintain the Change Control for a Field

Business Example

The assignment field determines which document in sales order management forms the basis for the accounting document. Internal auditors have requested that the assignment field should not be changed after a transaction is posted.

Check if an assignment field is modifiable. If the field can be modified, alter the change rules so that it no longer can be.

1. Check whether the assignment field *BSEG-ZUONR* can be changed in one of the documents you posted in the exercise Post FI Documents.
2. If the assignment field can be changed, alter the change rules for account types *S*, *D*, and *K* to prevent further changes to the assignment field.
3. Check whether the assignment field *BSEG-ZUONR* is no longer modifiable.

Maintain the Change Control for a Field

Business Example

The assignment field determines which document in sales order management forms the basis for the accounting document. Internal auditors have requested that the assignment field should not be changed after a transaction is posted.

Check if an assignment field is modifiable. If the field can be modified, alter the change rules so that it no longer can be.

1. Check whether the assignment field **BSEG-ZUONR** can be changed in one of the documents you posted in the exercise Post FI Documents.

- a) On the SAP Easy Access screen, choose *Accounting* → *Financial Accounting* → *Accounts Receivable* → *Document* → *Change*. Alternatively, enter transaction code **FB02**.

- b) Enter the following data:

Field Name or Data Type	Values
Document Number	From previous unit
Company Code	GR##
Fiscal Year	Current year

- c) Choose *Enter*.
 - d) Double-click the customer line item and note that the *Assignment* field can be changed.
2. If the assignment field can be changed, alter the change rules for account types **S**, **D**, and **K** to prevent further changes to the assignment field.
 - a) In Customizing, choose *Financial Accounting (New)* → *Financial Accounting Global Settings (New)* → *Document* → *Rules for Changing Documents* → *Document Change Rules, Line Item*.
 - b) Choose *Edit* → *New Entries*.
 - c) Enter the following data:

Field Name or Data Type	Values
Field name	BSEG-ZUONR
Account Type	S
Transact. type	BLANK

Field Name or Data Type	Values
Company Code	GR##
Field Can Be Changed	BLANK

- d) Save the entries.
- e) Choose *Back* to return to the overview screen.
- f) Select *AccTy* (account type) **S**.
- g) Choose *Edit* → *Copy As*.
- h) Enter the following data:

Field Name or Data Type	Values
Field name	BSEG-ZUONR
Account Type	D
Transact Type	BLANK
Company Code	GR##
Field Can Be Changed	BLANK

- i) Choose *Copy (Enter)*.
- j) Select *AccTy* (account type) **D**.
- k) Choose *Edit* → *Copy As*.
- l) Enter the following data:

Field Name or Data Type	Values
Field name	BSEG-ZUONR
Account Type	K
Transact Type	BLANK
Company Code	GR##
Field Can Be Changed	BLANK

- m) Choose *Copy (Enter)*.
 - n) Save the entries.
3. Check whether the assignment field **BSEG-ZUONR** is no longer modifiable.
 - a) On the SAP Easy Access screen, choose *Accounting* → *Financial Accounting* → *Accounts Receivable* → *Document* → *Change*. Alternatively, enter transaction code **FB02**.

b) Enter the following data:

Field Name or Data Type	Values
Document Number	From previous unit
Company Code	GR##
Fiscal Year	Current year

c) Choose *Enter*.

d) Double-click the customer line item and note that the *Assignment* field is no longer modifiable.



Note:

You have created a document change rule that states that for customer, vendor, and G/L postings, the assignment field is not modifiable after posting.



LESSON SUMMARY

You should now be able to:

- Configure change control

Configuring Document Reversal

LESSON OVERVIEW

This lesson explains how to configure document reversal.

Business Example

Sometimes, users enter data and post documents incorrectly. In such a case, the document has to be reversed and re-entered correctly. Management wants to be able to correct transaction figures by reversing documents. For this reason, you require an understanding of the following:

- How to reverse documents
- How to define reasons for reversal in Customizing

LESSON OBJECTIVES

After completing this lesson, you will be able to:

- Configure document reversal

Document Reversal

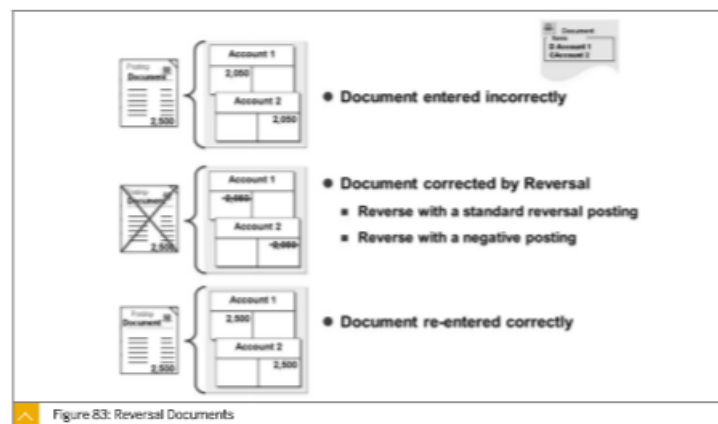


Figure 83: Reversal Documents

Users sometimes make errors when entering documents. As a result, the created documents contain incorrect information and need to be modified. To log the adjustments made to the documents, you first need to reverse the incorrect document. Then, you can post the document again with correct entries.

The SAP ERP application provides a function that helps you reverse general ledger documents, customer documents, and vendor documents individually or as a group. This mass reversal function allows reversals of a large range of documents that a user enters. The function also allows you to use the same transaction and reverse one document.

You can reverse a document by using either of the following methods:

- Normal reversal posting
- Negative posting

Normal reversal posting executes an inverse posting by increasing the transaction figures. Negative posting, on the other hand, performs an inverse posting by resetting the transaction figures. You can use negative posting to avoid an unnecessary increase in the transaction figures. This function was developed to meet customer requirements and is optional.

When you reverse a document, you have to enter a reversal reason to explain the reversal. The reversal reason settings can be configured to allow you to enter a reversal date different to the original posting date.

You cannot reverse documents that contain cleared items. You need to reset the document before reversing it.

Normal Reversal Posting and Negative Posting

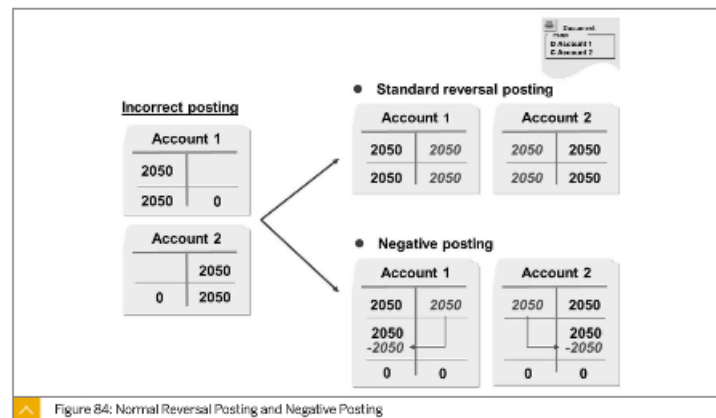


Figure 84: Normal Reversal Posting and Negative Posting

Normal reversal posting causes the SAP ERP application to post the incorrect debit as a credit and the incorrect credit as a debit. This form of posting causes an increase in the transaction figures.

Negative posting also posts the incorrect debit as a credit and the incorrect credit as a debit. With negative posting, the posted amount is not added to the transaction figures, but is subtracted from the transaction figures on the other side of the account. This sets the transaction figures back to what they were before the incorrect posting.

The SAP ERP application uses normal reversal posting to reverse documents.

To enable negative postings, the following prerequisites must be fulfilled:

- The company code must permit negative postings.
- The reversal reason must be configured to allow negative postings.

You can also use negative postings to perform transfer postings of incorrect line items. The item is removed from the wrong account by using negative posting, in which the transaction figures are reset. The item is then posted to the correct account by using a normal posting. This can only be done with a document type that explicitly allows negative postings.

Unit 4

Exercise 20

Post a Document Reversal

Business Example

Sometimes, users enter and post a document incorrectly. In such a case, the document needs to be reversed and re-entered correctly. Management wants to be able to correct transaction figures.

Configure the company code to allow negative postings and reverse documents.

1. Check whether your company code allows negative postings. Allow negative postings in the company code.
2. Check the reasons for reversal that can be used to perform reversal by negative postings.
3. Check the balance of your cash account (100000) from the exercise *Post FI Documents*. Display your posted documents and make a note of the document type and document number used. Display the account balance, document type, and document number.
4. Reverse the G/L document you just displayed and then review the account balance to see the impact of a negative reversal. Perform a negative reversal.

Post a Document Reversal

Business Example

Sometimes, users enter and post a document incorrectly. In such a case, the document needs to be reversed and re-entered correctly. Management wants to be able to correct transaction figures.

Configure the company code to allow negative postings and reverse documents.

1. Check whether your company code allows negative postings. Allow negative postings in the company code.

- a) In Customizing, choose *Financial Accounting (New) → General Ledger Accounting (New) → Business Transactions → Adjustment Posting/Reversal → Permit Negative Posting*.

- b) Enter the following data:

Field Name or Data Type	Values
Company Code	GR##
Negative Postings Permitted	✓

- c) On the *Change View "Maintain Negative Postings in Company Code": Overview* screen, choose *Position*.
 - d) In the *Another entry* dialog box, enter **GR##** in the *Company Code* field.
 - e) Choose *Continue*.
 - f) Select the *Negative Postings Permitted* checkbox.
 - g) Save the entries.
2. Check the reasons for reversal that can be used to perform reversal by negative postings.
 - a) In Customizing, choose *Financial Accounting (New) → General Ledger Accounting (New) → Business Transactions → Adjustment Posting/Reversal → Define Reasons for Reversal*.
 - b) Check Reason codes.
 - c) The *Neg. posting* indicator is set for reversal reasons 03, 04, 05, 06, 07, and RE.
 3. Check the balance of your cash account (100000) from the exercise *Post FI Documents*. Display your posted documents and make a note of the document type and document number used. Display the account balance, document type, and document number.

- a) On the *SAP Easy Access* screen, choose *Accounting → Financial Accounting → General Ledger → Account → Display Balances*. Alternatively, enter transaction code **FS10N**.
- b) On the *G/L Account Balance Display* screen, enter the following data:

Field Name or Data Type	Values
Account Number	100000
Company Code	GR##
Fiscal Year	Current year

- c) Choose *Execute*.
 - d) Record the balances for the current period.
Debit: _____
Credit: _____
 - e) Double-click the debit *Balance* of the current period. The line items that created the balance are displayed.
 - f) Record the *DocumentNo* (document number) of the *G/L Account*.
4. Reverse the G/L document you just displayed and then review the account balance to see the impact of a negative reversal. Perform a negative reversal.
 - a) On the *SAP Easy Access* screen, choose *Accounting → Financial Accounting → General Ledger → Document → Reverse → Individual Reversal*. Alternatively, enter transaction code **FB08**.
 - b) On the *Reverse Document: Header Data* screen, enter the following data:

Field Name or Data Type	Values
Document Number	Recorded document number of the G/L account
Company Code	GR##
Fiscal Year	Current year
Reversal Reason	03

- c) Choose *Goto → Display Before Reversal*.
- d) Choose *Back* to return to the previous screen.
- e) Choose *Post* to save your document.
- f) Choose *Exit*.
- g) To check the balance in the account, enter transaction code **FS10N**.
- h) On the *G/L Account Balance Display* screen, enter the following data:

Field Name or Data Type	Values
Account Number	100000
Company Code	GR##
Fiscal Year	Current year

- i) Choose *Execute*.
- j) Record the balances for the current period.
Debit: _____
Credit: _____
- k) Compare these values to the balances recorded before the reversal.

**LESSON SUMMARY**

You should now be able to:

- Configure document reversal

Configuring Payment Terms and Cash Discounts

LESSON OVERVIEW

This lesson explains how to configure payment terms and cash discounts.

Business Example

The company continually negotiates new terms of payments with vendors, and these are to be reflected in the system. Cash discounts are to be posted automatically by the system. For this reason, you require an understanding of the following:

- How to define the terms of payment
- How to perform account determination for automatic postings of cash discounts



LESSON OBJECTIVES

After completing this lesson, you will be able to:

- Configure terms of payment
- Prepare cash discounts

Terms of Payment



The terms of payment are used to define:

- Baseline date for due date calculation
- Cash discount periods
- Cash discount percentage rates

The terms of payment are:

- Assigned to a customer or vendor master record
- Defaulted by the system or entered by the user
- Used in transaction line items to determine payment conditions

Figure 85: Terms of Payment

Terms of payment are conditions agreed upon by business partners for the payment of invoices.

Terms of payment define the following parameters:

- Due date
- Cash discount offered for payment of the invoice within a certain period

Some terms of payment are predefined in the SAP ERP application. You can also add new terms of payment if required.

Terms of payment enable the SAP ERP application to calculate the following fields:

- Cash discount
- Invoice due date

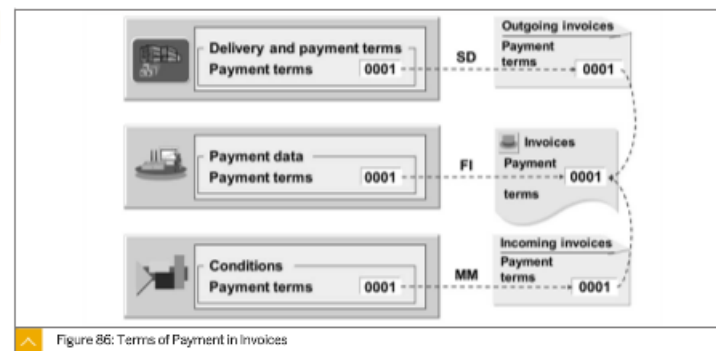
To calculate the cash discount and invoice due date fields, the SAP ERP application needs the following data:

- Baseline date
 - The date from which the due date is derived
- Cash discount terms
 - The terms on which the cash discount can be applied
- Cash discount percentage rate
 - The rate used to calculate the cash discount

When you process a document, you need to enter the terms of payment for the SAP ERP application to calculate the required conditions of payment.

The terms of payment are stored in the master record of a customer or a vendor. These terms become the default terms when posting transactions. However, a user can change these terms, if needed.

Terms of Payment in Invoices



You can enter the terms of payment in the company code, sales area, and purchasing organization segments of a customer or vendor master record.

The terms of payment that are defaulted when posting an invoice depend on where the invoice is created.

The invoice can be created in any one of the following locations:

System Location	Status
Financials	The terms of payment from the company code segment are defaulted.
Sales order management	The terms of payment from the sales area segment are defaulted. When you post the invoice in sales-order management, the terms of payment are copied to the FI invoice, which is created automatically.
Purchasing Management	The terms of payment from the purchasing organization segment are defaulted. When you post the invoice in purchasing management, the terms of payment are automatically copied to the accounting document.

When you enter a vendor invoice, you can also set a fixed amount as a cash discount or fixed cash discount percentage rate. The cash discount is independent of the payment period or date. To set a fixed cash discount or fixed cash discount percentage rate, you must make the appropriate entry in the *Cash Discount* field.

Terms of Payment in Invoice Related Credit Memos

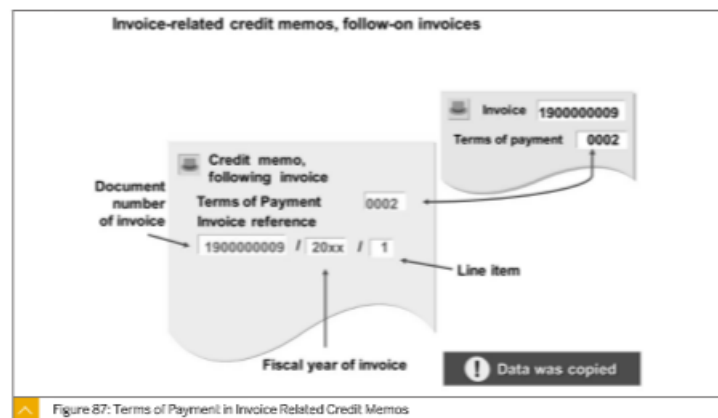


Figure 87: Terms of Payment in Invoice Related Credit Memos

The following options are available for posting the terms of payment in credit memos:

- Invoice-related credit memos
- Other credit memos

You can link the credit memos to the original invoice by entering the invoice number in the *Invoice Reference* field during document entry. In this case, the terms of payment are copied from the invoice to the credit memo. Both the invoice and the credit memo are then due on the same date.

Terms of Payment in Other Credit Memos



Figure 88: Terms of Payment in Other Credit Memos

The terms of payment in credit memos that are not linked to their original invoices are ignored. These credit memos are due on the baseline date. To activate the payment terms on these non-invoice-related credit memos, enter a **V** in the *Invoice Reference* field when entering the document.

Terms of Payment: Basic Data



General

- Day limit**

Payment terms 0009
Day limit 15

Payment terms 0009
Day limit 31
- Description**

With a 15 day limit: 2% cash discount until the 15th of the next month
Until the end of the following month without a discount

With a 31 day limit: 2% cash discount until the end of the next month
Until 15th of the second month without a discount
- Account type**

☒ Customer
☒ Vendor

Figure 89: Terms of Payment – Basic Data

Terms of Payment for Incoming Invoices and Credit Memos

You can specify the following terms of payment for incoming invoices and incoming credit memos:

Field Name	Description
Day limit	Expresses the calendar day to which the terms of payment are valid. You can use the day limit to store single or multi-part terms of payment in a terms-of-payment key.
Description	Includes the explanation that the SAP ERP application automatically generates. You can replace this explanation with your own. It also includes the sales order management text for printing on invoices.
Account type	Defines the subledger in which the terms of payment can be used. Define separate terms of payment for vendors and customers and only use them for one account type. This prevents any change that you make in the terms of payment for your customers taking effect for the postings to your vendors. An example is changing the cash discount percentage rate from 3% to 2%.

Terms of Payment: Payment Controls



Payment control

- Block key**

- Payment method**

Figure 90: Terms of Payment – Payment Controls

While defining terms of payment, you can control payments by using a block key and entering a payment method. You can use the block key (= blocking reason) to block line items for payment during posting. The payment program can then neither collect nor pay for the item. This is particularly useful for vendor invoices. Here, first, you always set a payment block. Then, a second person checks the invoice and removes the payment block (dual control principle).

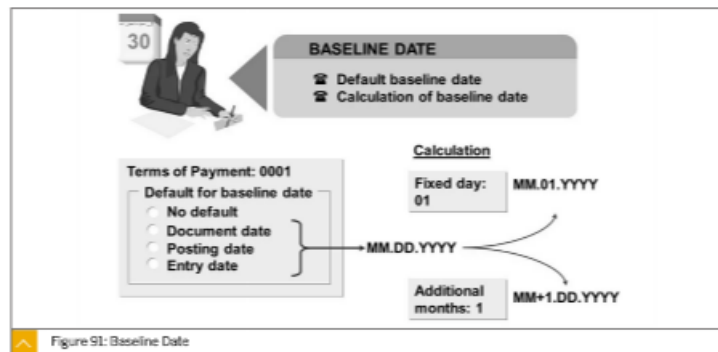
The payment method determines the procedure to be used for payment (check, transfer, and bill of exchange). The payment method is entered in the customer or vendor master record and not in the document.

You can set the block key and the payment method in the following transactions:

- During posting
- In the customer or vendor master record (company code segment)
- In the terms of payment

The block key and the payment method defined in the terms of payment are defaulted in the line item when the terms of payment are used. If you are using sales order management, see SAP Notes 132701 and 217021.

Calculation of the Baseline Date



The system uses the baseline date to calculate the due date for the invoice and the cash discount terms. The baseline date can either be proposed or entered manually. The following default values can be applied to the baseline date: posting date, document date, and entry date.

To calculate the baseline date with the day limit, the SAP ERP application requires the following information:

- Fixed day

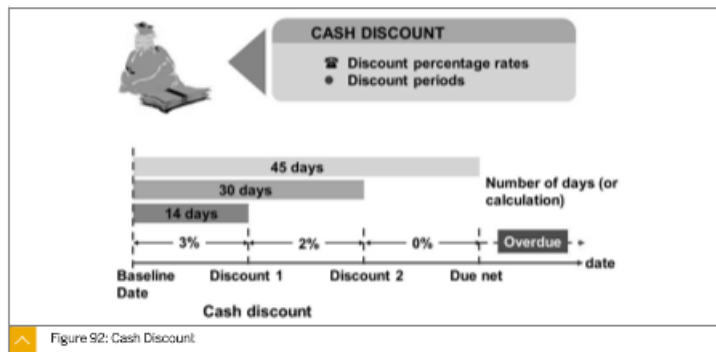
This is a day that can be used to overwrite the calendar day of the baseline date. For example, the fixed day can always be the 15th of the month.

- Number of additional months

These are the months that need to be added to the calendar month of the baseline date.

For further information about the behavior of the SAP ERP application with default values for the terms of payment baseline date and changing the date by adding months, refer to note 162885.

Cash Discount



To calculate the cash discount, enter a percentage rate in the terms of payment. In the same line, enter the number of days for which the percentage is valid. If needed, you can add fixed days and months in the terms of payment line.

The days and months specified in the terms of payment are used in conjunction with the baseline date to calculate the correct cash discount amount for the payment date.

You can enter up to three cash discount periods.

Unit 4

Exercise 21

Maintain Terms of Payment

Business Example

The company uses various terms of payment. Cash discounts are to be posted automatically by the system. The company has negotiated new terms of payment with a vendor.

1. You are required to define a new terms of payment key, AC##, and test it to ensure that it works. The new terms negotiated with your vendor are as follows:
 - 5% cash discount for immediate payment
 - 2% cash discount for payment within 14 days
 - No deduction for payment in 30 days
 - The posting date is the baseline date
2. Assign the new terms of payment to your vendor. Enter the terms of payment in the vendor master record.
3. Use the new terms of payment key the next time you enter an invoice. Test the new terms of payment by posting an invoice for 50,000 units of the local currency. Use your account for entertainment expenses (AE01##), the profit center PR##, and the input tax code OI (0%) for the debit posting. Post a vendor invoice.

Maintain Terms of Payment

Business Example

The company uses various terms of payment. Cash discounts are to be posted automatically by the system. The company has negotiated new terms of payment with a vendor.

1. You are required to define a new terms of payment key, AC##, and test it to ensure that it works. The new terms negotiated with your vendor are as follows:
 - 5% cash discount for immediate payment
 - 2% cash discount for payment within 14 days
 - No deduction for payment in 30 days
 - The posting date is the baseline date
- a) In Customizing, choose *Financial Accounting (New) → Accounts Receivable and Accounts Payable → Business Transactions → Incoming Invoices/Credit Memos → Maintain Terms of Payment*.
- b) Choose *Edit → New Entries*.
- c) On the *New Entries: Details of Added Entries* screen, enter the following data:

Field Name or Data Type	Values
Payt. Terms	AC##
Account Type	
Customer	BLANK
Vendor	✓
Default for Baseline date	Posting Date
Payment terms	
Term 1	
Percentage	5%
No. of days	BLANK
Term 2	
Percentage	2%

Field Name or Data Type	Values
No. of days	14
Term 3	
No. of days	30

- d) In the *Explanations* area, the terms of payment are described by the application. Check that you have entered the terms of payment correctly.
- e) Save the entries and confirm the dialog box.
2. Assign the new terms of payment to your vendor. Enter the terms of payment in the vendor master record.
 - a) On the *SAP Easy Access* screen, choose *Accounting → Financial Accounting → Accounts Payable → Master Records → Change*. Alternatively, enter transaction code `FK02`.
 - b) On *Change Vendor: Initial Screen*, enter the following data:
- c) Choose *Enter*.
- d) Enter the following data:

Field Name or Data Type	Values
Vendor	Vendor##
Company Code	GR##
Company Code Data	
Payment Transactions	✓

Field Name or Data Type	Values
Payt. Terms	AC##

- e) Save the entries.
3. Use the new terms of payment key the next time you enter an invoice. Test the new terms of payment by posting an invoice for 50,000 units of the local currency. Use your account for entertainment expenses (AE01##), the profit center PR##, and the input tax code 01 (0%) for the debit posting. Post a vendor invoice.
 - a) On the *SAP Easy Access* screen, choose *Accounting → Financial Accounting → Accounts Payable → Document Entry → Invoice*. Alternatively, enter transaction code `FB60`.
 - b) On the *Enter Vendor Invoice: Company Code GR01* screen, enter the following data:

Field Name or Data Type	Values
Basic Data	
Vendor	Vendor##

Field Name or Data Type	Values
Invoice date	Current date
Posting Date	Current date
Amount	50000
Currency	Local currency
Calculate tax	✓
Tax Code	OI
Item	
G/L account	AE01##
D/C	Debit
Amount in doc. curr.	50000
Item Text	Dinner for staff
Profit center	PR##

- Click the **Payment** tab page to check whether the terms of payment are proposed from the vendor master record.
- Choose **Document** → **Simulate**.
- Check the document. Double-click a line item to display or change the data.
- Choose **Back** and then choose **Post** to save the document.

**Note:**

You have just performed the following activities:

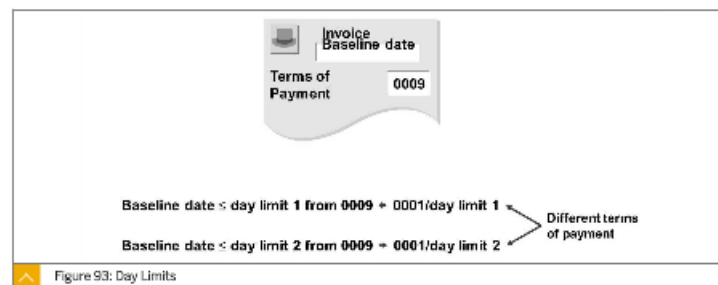
- Created new terms of payment
- Assigned the new terms to your vendor master record

When you post an invoice, the new terms of payment are defaulted from the vendor master record.

To check whether the new terms of payment have been defaulted from the vendor master record, follow the menu path:

Accounting → **Financial Accounting** → **Accounts Payable** → **Account**
→ **Display/Change Line Items**.

Enter your vendor number and the company code on the selection screen and execute the **Display/Change Line Items** report. Double-click the line item for which you want to see the individual terms of payment.

Day Limits

Day limits enable date-specific terms of payment in a single terms of payment key.

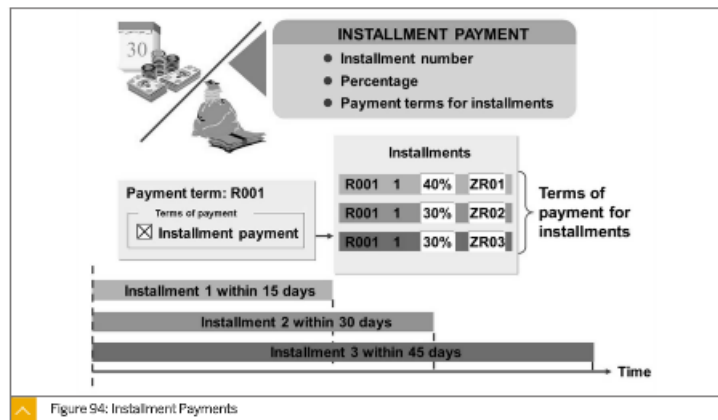
You can define several versions of the terms of payment, with each version having a different day limit.

The day limit is the baseline date up to which the payment term version applies. For terms of payment that are dependent on a day limit (for example, if the baseline date is before the 15th of the month), you can enter two-part terms of payment under the same terms of payment key. The entry for the specified day limit is added to the terms of payment key. This results in two entries where different terms of payments can be defined.

The following terms of payment require the specification of a day limit:

- Documents with an invoice date up to the 15th of the month are payable on the last day of the following month.
- Documents with an invoice date after the 15th of the month are payable on the 15th of the month after the following month.

Installment Payments



You can pay an invoice over several months using an installment plan. You can also retain a portion of the invoice amount for payment later.

The total invoice amount is divided into partial amounts that are due on different dates.

The SAP ERP application carries out this split automatically if installment payment is defined in the terms of payment.

To define installment payments in the terms of payment, first select installment payment (do not assign any cash discount periods or cash discount percentage rates).

Define the following items for each installment:

- Installment number
- Percentage rate
- Terms of payment

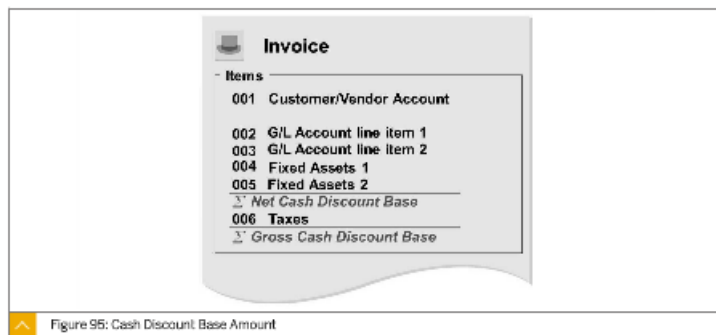
The percentage rates specified must total 100%.

The SAP ERP application creates a line item for each installment specified.

The line item amounts correspond to the percentages of the total amount. The total of the line item amounts corresponds to the total amount.

The terms of payment for the line items are the terms of payment defined for the individual installments.

Cash Discounts and Net Procedure

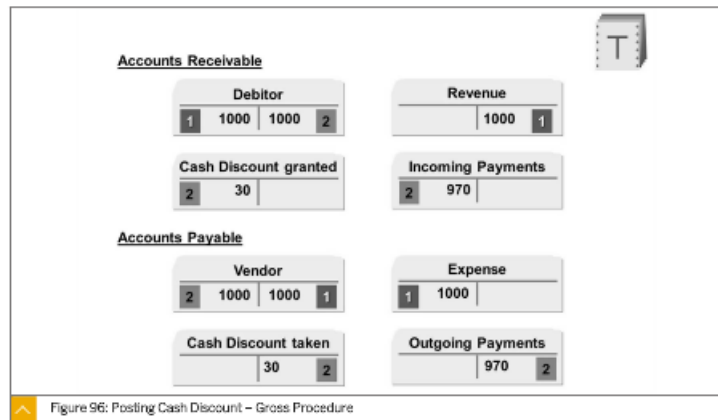


Depending on the legal requirements of the country in question, the cash discount base is calculated on the following values:

- Net value (total of general ledger account items and asset items, tax on sales and purchases not included)
- Gross value (tax on sales and purchases included), for example, in Germany, Switzerland

For each company code or tax jurisdiction code, in Customizing, specify which value the system is to use for the cash discount base (see *Global Parameters*).

Posting Cash Discount: Gross Procedure

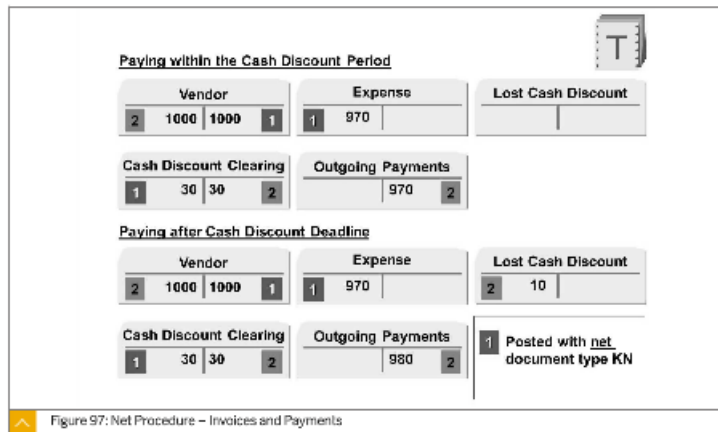


Cash discount amounts can be entered manually, or by configuring the SAP ERP application to automatically use the rates in the terms of payment. You can change the cash discount after posting the invoice.

When you clear an open item on a customer or vendor account, the SAP ERP application automatically posts the applicable cash discount to an account for cash discount expense or cash discount received.

Define the accounts for cash discount expense or cash discount revenue in the configuration.

Net Procedure: Invoices and Payments



If you post a vendor invoice with a document type for the net procedure, the SAP ERP application automatically reduces the cash discount amount from the expense or balance sheet account. The application then posts the same amount to a cash discount clearing account to clear the posting.

When you use the net procedure, the cash discount amount is automatically posted along with the invoice.

When the invoice is paid, the SAP ERP application carries out a clearing posting to the cash discount clearing account.

If the invoice is paid after the cash discount deadline, the cash discount loss is posted to a separate account.

The cash discount clearing account must be managed on an open item basis.

**LESSON SUMMARY**

You should now be able to:

- Configure terms of payment
- Prepare cash discounts

Unit 4

Lesson 6

Maintaining Taxes and Tax Codes

LESSON OVERVIEW

This lesson explains how to maintain taxes and tax codes.

Business Example

Due to time constraints, management have requested that you provide the basic tax requirements of your country for the prototype. They suggest that you use the SAP ERP tax template for your country. For this reason, you require an understanding of the following:

- How taxes are handled in the SAP ERP Financials solution
- How to create tax codes and define tax accounts

**LESSON OBJECTIVES**

After completing this lesson, you will be able to:

- Prepare taxes
- Configure tax codes

Taxes in SAP ERP

When posting an invoice SAP allows for taxes to be levied on the invoice amount as:



- Tax on sales/purch.
- US sales tax
- Additional taxes
- Withholding tax



Two taxation types are possible:

- Federal/country level
- State/jurisdictional level

Figure 9B: Taxes

The SAP ERP application supports the following tax systems:

- Taxes on sales and purchases

- United States sales tax
- Additional taxes (country-specific, for example, investment tax in Norway, and clearing tax in Belgium)
- Withholding tax

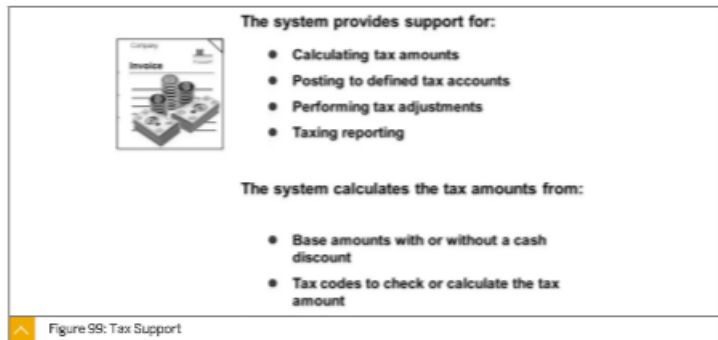
The following types of taxes can be processed in SAP ERP:

- Taxes with uniformly defined rates that are levied at a national level
- Taxes with rates defined by a state or jurisdiction that are levied at a state or jurisdictional level

Due to the complications related to this type of taxation, third-party software is often used to determine tax allocation. For example, there are over 67,000 possible jurisdictions in the United States. SAP ERP provides generic interface software to support the taxes defined by each state and jurisdiction.

In some countries, taxes are levied on both levels. Examples of such countries are Canada, India, and Brazil. United States sales and use taxes are typical examples of taxes below national level.

Tax Support



The system supports the treatment of taxes through the following actions:

- Checks the tax amount entered and automatically calculates the tax
- Posts the tax amount to tax accounts
- Performs tax adjustments for cash discounts and other forms of deductions

The expense or revenue amount is the base amount, which can either include or exclude a cash discount. In the former case, the tax base is taken as a gross value while in the latter case, it is taken as a net value.

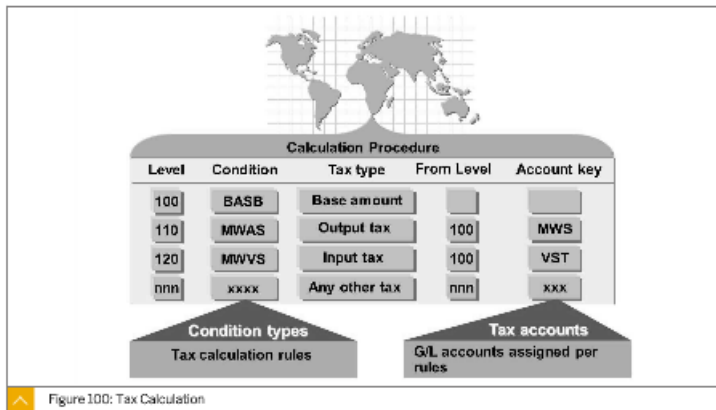
The SAP application uses the tax code to determine the calculations required to perform taxation functions.

National regulations define the base tax amount as one of the following amounts:

- Net amount
The taxable expense or revenue items less a cash discount
- Gross amount
The taxable expense or revenue items including a cash discount

You can define which amount is used for each company code or for the highest level of the jurisdictional code.

Tax Calculation



In the SAP ERP application, a preconfigured procedure for tax calculation exists for every country.

The tax calculation procedure contains the following elements:

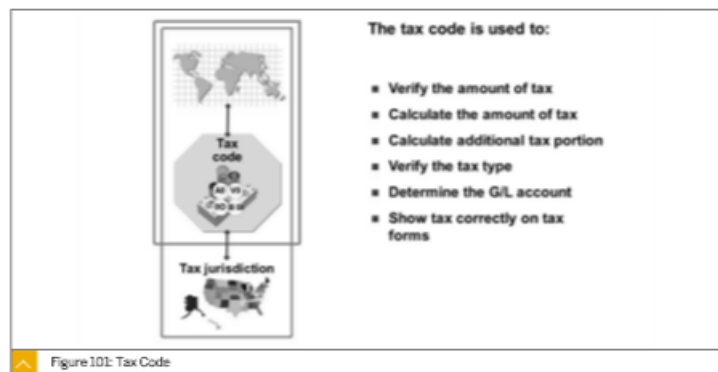
- Sequence of the steps
These are the steps required in the tax calculation procedure. The from step indicates the point at which the system calls the base value for the step.
- Tax types (condition types)
These are the condition types applicable to a country. The SAP ERP application comes with the condition types necessary for each tax calculation. The tax calculation procedure in the application covers the correct condition types. Condition types are tax calculations that are valid for a country. The base amount is an expense or revenue item.
- Account key or transaction key

This key covers additional specifications and is used for the automatic account determination of the taxes concerned. Predefined account keys are included in the SAP ERP application. It is recommended that you use these standard account keys.

For the United States, the following tax calculation procedures are relevant:

- TAXUSJ, which is the standard tax calculation procedure that includes the use of jurisdictional codes
- TAXUSX, which is used when employing an external tax package

Tax Codes



When you post a document, you also enter its tax code. The tax code connects the document to the tax calculation. This connection varies according to whether the country in question uses a tax calculation procedure dependent on tax jurisdiction codes or not.

The tax code is linked with one of the following values:

- Country key
- Combination of country key and tax jurisdiction code

The tax codes within a jurisdictional taxation method are date specific. In the configuration, you can choose whether the document date or the posting date is valid for the tax calculation.

Tax Rates



Tax Type	Account Key	Rate	Level	Fr. Level	Term
Base amount			100	0	BASB
Output tax	MWS	10.000	110	100	MWAS
Input tax	VST		120	100	MWVS
Any other tax	xxx		nnn	nnn	xxxx

Figure 102: Tax Rates

In addition to other information, the tax code also contains tax rates. Tax rates are assigned to the tax types used in the tax calculation procedure. You can set up a tax code with several tax rates entered for different tax types (if a line item is to be taxed with several tax types), but usually only one tax rate is entered.

An example of a tax code with more than one tax rate is the 10% input tax on an item for which 40% of the tax amount is nondeductible.

For the tax rate, this example means 6% input tax and 4% nondeductible input tax.

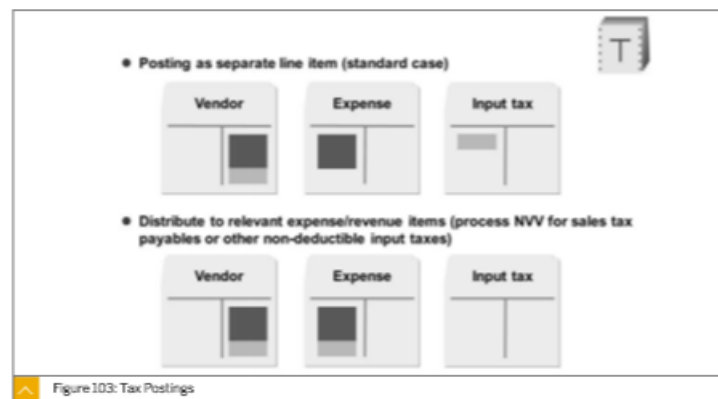
Some postings to tax-relevant G/L accounts must have a tax rate of zero. This case applies to the following items:

- Items that are tax exempt but have to be reported to the tax authorities. For these items a special tax code with a tax rate of zero is created.
- Items that are created by tax-exempt transactions, such as the issue and movement of goods issues. You must assign a special tax code to these transactions.

The tax type definition determines if the base amount is "percentage included" or "percentage separate."

If the system detects a deviation between the tax calculated and the tax amount entered, it issues either an error message (check indicator set) or a warning message (check indicator not set). The check indicator is not set for input tax codes because the user must post the tax amount from the invoice, regardless of whether it is correct or not.

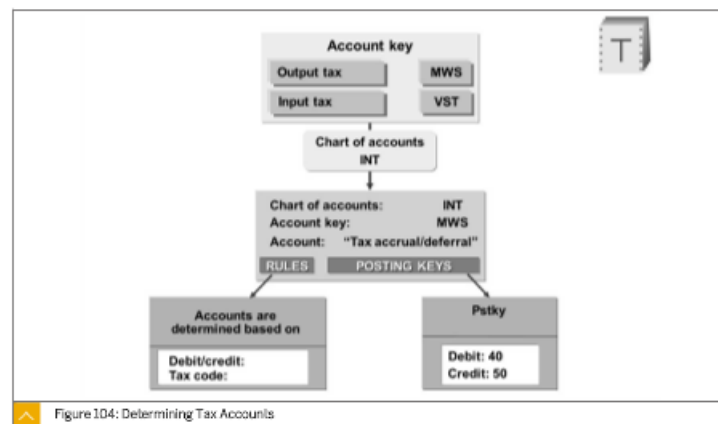
Tax Postings



Tax postings can be of the following types:

- Taxes calculated by the application are usually posted through a separate line item to a special tax account. This is the standard scenario.
- Taxes with certain transaction or account keys (for example, NVV) are distributed to the relevant expense or revenue items, such as the case of sales tax payables or other nondeductible input taxes.

Determination of Tax Accounts



To enable the automatic determination of tax accounts, assign the following data to the account or transaction keys that generate tax items during posting:

- Tax accounts
- Posting keys (40 and 50 are recommended)
- Rules, which determine fields, such as the tax code or the account key, on which account determination is based

When exchange rate differences occur because of tax adjustments in foreign currencies, these differences are usually posted to the normal account for exchange rate differences. However, for each company code, you can specify that the exchange rate for tax items can also be entered manually or be determined by the posting or the document date. The resulting differences are posted to a special account.

Tax Accounts



Figure 105: Tax Accounts

You can define tax accounts, or accounts to which tax items are posted, in the **Tax Category** field by entering one of the following signs:

- < for input tax
- > for output tax

The properties of a tax code define the tax posted as an input tax or an output tax.

If you do not want to post tax manually, then select *Post automatically only*.

Other G/L Accounts



Figure 106: Other G/L Accounts

All other G/L accounts may have one of the following entries in the **Tax Category** field:

Entities	Description
" "	For non-tax-relevant postings, such as bank postings
-	For postings that require an input tax code, such as a reconciliation account for payables from goods and services
+	For postings that require an output tax code, such as a reconciliation account for receivables from goods and services
*	For postings that require any tax code
xx	For postings with the predefined tax code xx

If you select the *Postings Without Tax Allowed* field, then you can post to the G/L account without specifying a tax code, an action that is necessary for tax postings within a calculation procedure for a jurisdiction code tax for foreign customers who do not have a jurisdiction code.



Note:

Accounts for cash discounts need an entry in the *Tax Category* field so that the system can post tax adjustments.

Unit 4

Exercise 22

Create a Tax Code and Post a Customer Invoice

Business Example

The management has requested that you provide the basic tax requirements of your country for the prototype. They have suggested that you use the tax template of the SAP ERP application for your country.

Create a new tax code and post a customer invoice with taxes.

1. Create a new tax code for non jurisdictional taxes. The federal government of your country implements a tax reform and sets the value-added tax rate at 20%. Create a new output tax code ## to adjust to the new tax requirements.
2. Make your newly created tax code relevant for Financial Accounting Outgoing Invoice Transactions.
3. Test the new tax code by entering a customer invoice. Post a customer invoice for 300000 units of local currency to your customer account. Choose *Calculate Tax* . Use the tax code that you created and its jurisdictional code if required. Post to the revenue account 800200 and profit center PR##.



Note:
Record the document number on your data sheet.

Learning Objectives

The management plan described herein is intended to be used as a guide only. It is not intended to be a contract. The user assumes all responsibility for the use of the plan. The user agrees to indemnify and hold the provider harmless for any and all claims, damages, and expenses, including reasonable attorneys' fees, arising out of the use of the plan.

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- [illegible]

Measurement or Data Type	Interval
Age (years)	10
Weight (kg)	100
Height (cm)	100
Temperature (°C)	10

- [illegible]

2. Make your newly created tax code relevant for Financial Accounting Outgoing Invoice Transactions.
 - a) In Customizing, choose *Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Outgoing Invoices/Credit Memos → Outgoing Invoices/Credit Memos – Enjoy → Define Tax Code per Transaction*.
 - b) Enter **DE** in the Country Key field.
 - c) Choose *Continue*.
 - d) On the Change View: "Tax Code Selection for Transactions": Overview screen, choose *Edit → New Entries*.
 - e) On the *New Entries: Overview of Added Entries* screen, enter the following data:

Field Name or Data Type	Values
<i>Tax code</i>	##
<i>Transactn</i>	Financial Accounting outgoing invoice
<i>Initial</i>	Blank

3. Test the new tax code by entering a customer invoice. Post a customer invoice for 300000 units of local currency to your customer account. Choose *Calculate Tax*. Use the tax code that you created and its jurisdictional code if required. Post to the revenue account 800200 and profit center PR##.



- a) On the **SAP Easy Access** screen, choose **Accounting** → **Financial Accounting** → **Accounts Receivable** → **Document Entry** → **Invoice**. Alternatively, enter transaction code **FB70**.
- b) Enter the following data:

Field Name or Data Type	Values
Basic Data	
Customer	Your customer
Invoice Date	Current date
Posting Date	Current date
Amount	300000
Currency	Local currency
Calculate Tax	✔

Field Name or Data Type	Values
Tax Code	## (Your new tax code)
Item	
G/L Account	800200
D/C	Credit
Amount in Document Currency	300000
Tax Code	##
Profit center	PR##

- c) Choose Document → Simulate.
 d) Check your document.
 e) Choose Post to save your document.



Note:

You have done the following:

- Created a new tax code
- Posted a customer invoice to demonstrate automatic tax posting



LESSON SUMMARY

You should now be able to:

- Prepare taxes
- Configure tax codes

Posting Cross-Company Code Transactions

LESSON OVERVIEW

This lesson explains how to configure and post cross-company code transactions.

Business Example

Management want to set up an additional domestic subsidiary and wonder whether SAP ERP can handle cross-company code postings. For this reason, you require the following knowledge:

- An understanding of cross-company code transactions
- An understanding of how to post cross-company code transactions



LESSON OBJECTIVES

After completing this lesson, you will be able to:

- Configure the basic settings for cross-company code transactions
- Post cross-company code transactions

Cross-Company Code Transactions

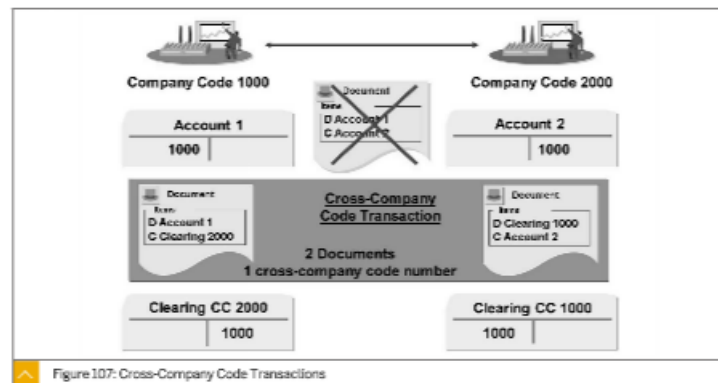


Figure 107: Cross-Company Code Transactions

A cross-company code transaction involves two or more company codes in one business transaction.

Some examples of cross-company code transactions are as follows:

- One company code makes purchases for other company codes (Central Procurement).
- One company code pays the invoices for other company codes (Central Payment).
- One company code sells goods to other company codes.

A cross-company code transaction posts to accounts in several company codes.

This action cannot be done by posting only one document because one document is assigned to exactly one company code. Instead, the SAP ERP application creates and posts a separate document for each company code involved.

To balance debits and credits within the documents, the SAP ERP application automatically generates line items and posts them to clearing accounts, for payables or receivables.

A common cross-company code transaction number links all the documents belonging to one cross-company code transaction.

You can use report *RFBVOR00* to display cross-company code transactions.

Unit 4

Exercise 23

Configure Cross-Company Code Transactions

Business Example

The management wants to set up a foreign subsidiary and is wondering whether the SAP ERP application can handle cross-company code postings.

Configure automatic posting for cross-company code transactions between two companies.

1. Configure automatic posting for cross-company code transactions between your company code GR## and the company code of the instructor, GR00. Define account 194610 for your company code GR## and account 194620 for the company code of the instructor. Configure each account for receivables and payables.

**Note:**

This setting is a prerequisite for the exercise on real-time integration.

Configure Cross-Company Code Transactions

Business Example

The management wants to set up a foreign subsidiary and is wondering whether the SAP ERP application can handle cross-company code postings.

Configure automatic posting for cross-company code transactions between two companies.

1. Configure automatic posting for cross-company code transactions between your company code GR## and the company code of the instructor, GR00. Define account 194610 for your company code GR## and account 194620 for the company code of the instructor. Configure each account for receivables and payables.



Note:
This setting is a prerequisite for the exercise on real-time integration.

- a) In Customizing, choose *Financial Accounting (New) → General Ledger Accounting → Business Transactions → Prepare Cross-Company Code Transactions*.
- b) Enter the following data:

Field Name or Data Type	Value
Company code 1	GR##
Company code 2	GR00

- c) Choose *Continue*.
- d) On the *Configuration Accounting Maintain: Automatic Posts - Clearing Account* screen, enter the following data:

Field Name or Data Type	Values
Company Code 1	
Receivable - Debit Posting Key	40
Receivable - Account Debit	194610
Payable - Credit Posting Key	50
Payable - Account Credit	194610
Company Code 2	

Field Name or Data Type	Values
Receivable - Debit Posting Key	40
Receivable - Account Debit	194620
Payable - Credit Posting Key	50
Payable - Account Credit	194620

- e) Save the entries.

Cross-Company Code Transactions Using Postings

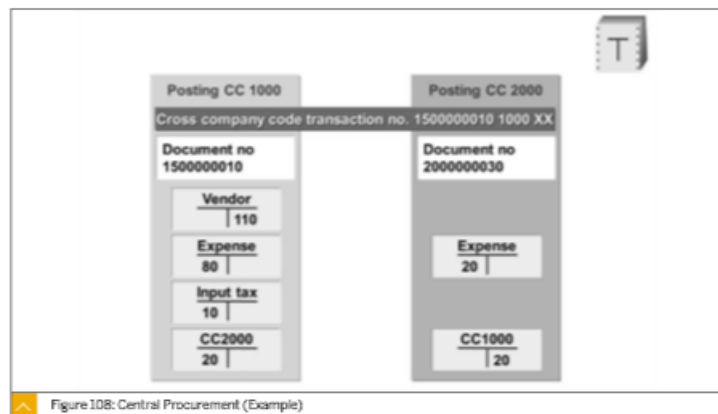


Figure 108: Central Procurement (Example)

The figure shows an example of a cross-company code transaction. A vendor delivers some goods to *Company Code 1000* and some other goods to *Company Code 2000*. The goods delivered to both company codes are different. The vendor then sends only one invoice for all the goods to *Company Code 1000*. You enter a part of the expense and post the invoice to the vendor account in *Company Code 1000*. When entering the invoice, you have to post the second part of the expense in *Company Code 2000*. The SAP ERP application automatically creates the clearing postings and tax postings. The tax is not distributed between the company codes according to their expenses.

Use this functionality only in one of the following cases:

- If the transaction is not tax relevant
- If the company codes form a single taxable entity

The SAP ERP application always posts the calculated tax to the company code of the first item. To ensure that the application posts the tax to the same company code that the invoice references, you must always enter the invoice item first. The tax regulations of countries such as Japan and Denmark require the tax amounts to be posted to the company codes in which the expenses occurred.

Therefore, you must distribute the tax from the first company code to the other company codes according to their expense amounts. You can use report *RFBUST10* to distribute the taxes.

Clearing Accounts

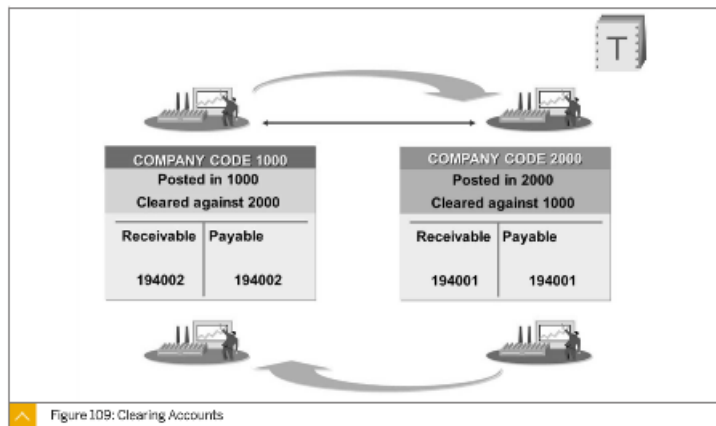


Figure 109: Clearing Accounts

In the SAP ERP application, every company code must have a clearing account. The clearing account is required to perform a cross-company code transaction.

You can define the following types of clearing accounts:

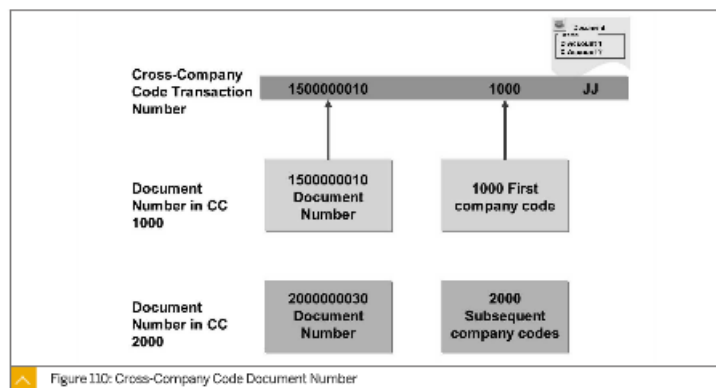
- General ledger account
- Customer accounts
- Vendor accounts

You must assign clearing accounts to every possible combination of two company codes to allow cross-company code postings between them.

For example, three company codes will need $3 \times 2 = 6$ clearing accounts. To reduce the number of clearing accounts, you can use just one company code as the clearing company code. In this case, you only need to assign clearing accounts to every combination of the clearing company code and the other company codes.

The three company codes need $2 \times 2 = 4$ clearing accounts. You must assign posting keys to the clearing accounts to identify their account types.

Cross-Company Code Document Number



When you post a cross-company code document, the SAP ERP application generates a cross-company code document number to link all new documents together. The document number is a combination of the document number of the first company code, the first company code number, and the fiscal year. The cross-company code document number is stored in the document header of all related documents for a complete audit trail.

To reverse cross-company code documents, use the reversal function for cross-company code transactions.

Unit 4

Exercise 24

Post and Display Cross-Company Code Transactions

Business Example

The management wants to set up a foreign subsidiary and is wondering whether the SAP ERP application can handle cross-company code postings.

Post a sample transaction for central purchasing and check the cross-company code document.

1. You receive an invoice from your vendor for 55,000 units in the local currency for material that you also purchased for the company code of the instructor. You ordered two-fifths of the material for the company code of the instructor. Use the tax code 11 (Input tax 10%). Post a cross-company code invoice to enter the information from the invoice for your company code and the costs from the invoice for the company code of the instructor (expense account for both company codes 470000). The cost center is COCE## (your company code) and the other cost center is COCE00 (company code of the instructor). Record your document number(s).



Note:

Delete your user assignments to tolerance group SUPV. Otherwise, you will not be authorized to post in the company code of the instructor. You can find your user assignments to the tolerance group in Customizing, under *Financial Accounting (New) → Financial Accounting Global Settings (New) → Document → Tolerance Groups → Assign User/Tolerance Groups*. On the *Change View "Assign User"* → *Tolerance Groups: Overview* screen, select the line with your user and press Delete (Shift+F2).

2. Check your posting. Look at your cross-company code document again.

Post and Display Cross-Company Code Transactions

Business Example

The management wants to set up a foreign subsidiary and is wondering whether the SAP ERP application can handle cross-company code postings.

Post a sample transaction for central purchasing and check the cross-company code document.

1. You receive an invoice from your vendor for 55,000 units in the local currency for material that you also purchased for the company code of the instructor. You ordered two-fifths of the material for the company code of the instructor. Use the tax code 1I (Input tax 10%). Post a cross-company code invoice to enter the information from the invoice for your company code and the costs from the invoice for the company code of the instructor (expense account for both company codes 470000). The cost center is COCE## (your company code) and the other cost center is COCE00 (company code of the instructor). Record your document number(s).



Note:

Delete your user assignments to tolerance group SUPV. Otherwise, you will not be authorized to post in the company code of the instructor. You can find your user assignments to the tolerance group in Customizing, under *Financial Accounting (New) → Financial Accounting Global Settings (New) → Document → Tolerance Groups → Assign User/Tolerance Groups*. On the *Change View "Assign User"* -> *Tolerance Groups: Overview* screen, select the line with your user and press Delete (Shift+F2).

- a) On the SAP Easy Access screen, choose *Accounting → Financial Accounting → Accounts Payable → Document Entry → Invoice*. Alternatively, enter transaction code FB60. Enter the following data:

Field Name or Data Type	Value
Basic Data	
Vendor	Vendor##
Invoice date	Current Date
Posting Date	Current Date
Amount	55000

Field Name or Data Type	Value
Currency Key	Local Currency
Calculate Tax	Do not select checkbox
Tax Amount	5000
Tax Code	1I (Input tax 10%)
First Line Item	
G/L acct (Expense Account)	470000
D/C	S Debit
Amount in Doc. curr.	30000
Company Code	GR##
Cost center	COCE##
Second Line Item	
G/L acct (Expense Account)	470000
D/C	S Debit
Amount in Doc. curr.	20000
Company Code	Instructor's company code (normally = GR00)
Cost center	COCE00

- b) Choose *Document → Simulate* and choose *Back*.
 - c) To check the document, double-click a line item to display or change data. Choose *GoTo → Next Item* to display all line items, then go back to the *Enter Vendor Invoice: Company Code GR##* screen. Notice the entries for the cross-company clearing account.
 - d) Choose *Post* to save the document.
 - e) Record the document number.
2. Check your posting. Look at your cross-company code document again.
 - a) On the SAP Easy Access screen, choose *Accounting → Financial Accounting → Accounts Payable → Document → Cross-Company Code Transaction → Display*. Alternatively, enter transaction code FB73.
 - b) Enter your document number.
 - c) Press ENTER to display your document.



Note:

You have just performed the following tasks:

- Created a G/L account for cross-company code transactions
- Configured the automatic postings for cross-company code clearing with the company code of your instructor
- Posted a cross-company code document



LESSON SUMMARY

You should now be able to:

- Configure the basic settings for cross-company code transactions
- Post cross-company code transactions

Configuring Real-Time Integration

LESSON OVERVIEW

This lesson explains how to configure real-time integration between Controlling (CO) and Financial Accounting (FI).

Business Example

In your company, some corrections to incorrect cost center assignments are handled directly in management accounting. In addition, month end allocations are also posted in cost center accounting. You must ensure that FI reflects the changed account assignments as well. For this reason, you require an understanding of the following:

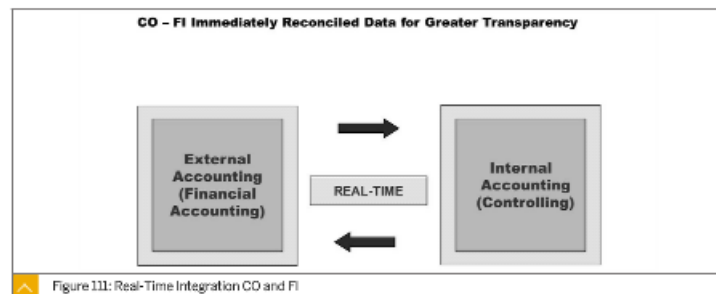
- The concept of real-time integration and its functionality
- The methods to configure real-time integration in Customizing

LESSON OBJECTIVES

After completing this lesson, you will be able to:

- Configure real-time integration
- Post documents using real-time integration

Configuration of Real-Time Integration



The real-time integration of controlling and accounting makes ad hoc valid reporting possible. This enables full compliance with the transparency requirements for corporate governance. In many Controlling (CO) postings, the SAP ERP application addresses financial accounting objects.

These cases are implemented using real-time integration CO → FI in financial accounting. Variants defined in Customizing are used to determine the objects for which such postings must be created.



Note:

Real-time integration is only possible if the controlling-relevant entities of accounting are addressed (for example, using cost-of-sales accounting and the derivation of functional areas using controlling objects).

Real-time integration affects the following cases:

1. Posting between controlling objects with different accounting objects maintained (profit center, segment, business area, or functional area).
2. Costs are posted across company codes in cross-company code cost accounting. In such cases, postings must also be correspondingly mapped in accounting.

Variants for CO → FI Real-Time Integration



In Customizing for Real-Time Integration CO→FI, you use a variant to configure, for example, the following:

- For which criteria do you want real-time integration?
- From when real-time integration is to be active?

Figure 112: Variants for CO → FI Real-Time Integration

You define the variants for real-time integration CO → FI in Customizing. In an additional step, you can then assign the variants to company codes.

To determine the characteristic changes that generate real-time FI line items, use the following actions:

- Use checkboxes.
- Define Boolean rules.

- Implement a *BAdI* with your own program logic.

Select characteristics that you have assigned to at least one ledger in the scenarios.

The key date activation defines when (from which posting date of the *CO* document) *CO-FI* reconciliation is possible with real-time integration.

You can also create Financial Accounting documents for all the *CO* documents entered before you activated the new general ledger.

Unit 4

Exercise 25

Configure a Real-Time Integration Variant and Assign It to a Company Code

Business Example

Customize for real-time integration between *CO* and *FI*.

Perform real-time integration between *CO* and *FI*.

1. You need to configure and test real-time integration between *CO* and *FI*. To accomplish this task, define your own variant for real-time integration with the ID *V##*. Ensure that real-time integration is active from the beginning of the current year and that account determination is active. Use the document type *CO* and include the ledger group (*FI*) *OL*, cross-company code, profit center, and segment. Write a log (trace) and prepare a summary of the documents.



Caution:

You do not have to activate the trace (log) function in the variant. You can activate it whenever required.

2. Assign real-time integration variant *V##* to company code *GR##*.

Configure a Real-Time Integration Variant and Assign It to a Company Code

Business Example

Customize for real-time integration between CO and FI.

Perform real-time integration between CO and FI.

1. You need to configure and test real-time integration between CO and FI. To accomplish this task, define your own variant for real-time integration with the ID V##. Ensure that real-time integration is active from the beginning of the current year and that account determination is active. Use the document type CO and include the ledger group (FI) OL, cross-company code, profit center, and segment. Write a log (trace) and prepare a summary of the documents.



Caution:

You do not have to activate the trace (log) function in the variant. You can activate it whenever required.

- a) In Customizing, choose *Financial Accounting (New) → Financial Accounting Global Settings (New) → Ledgers → Real-Time Integration of Controlling with Financial Accounting → Define Variants for Real-Time Integration*.
- b) Choose *Edit → New Entries*.
- c) On the *New Entries: Details of Added Entries* screen, enter the following values:

Field Name or Data Type	Value
Var. for R-T Integ.	V##
Screen area: Variants for Real-Time Integration CO -> FI	
R-Time Integ: Active	Select checkbox
Key Date: Active from	01.01.Current fiscal year
Acct Deter.: Active	Select checkbox
Document Type	CO
Ledger Group (FI)	OL
Text	Variant for real-time integration, Group##
Screen area: Selection of Document Lines for Real-Time Integration CO -> FI	

Field Name or Data Type	Value
Use Checkboxes	Select button
Cross-Company-Code	Select checkbox
Cross-Profit-Center	Select checkbox
Cross-Segment	Select checkbox
Screen area: Technical Settings	
Trace Active	Select checkbox
Do Not Summarize Documents	Do not select checkbox

- d) Save the entries.
2. Assign real-time integration variant V## to company code GR##.
 - a) In Customizing, choose *Financial Accounting (New) → Financial Accounting Global Settings (New) → Ledgers → Real-Time Integration of Controlling with Financial Accounting → Assign Variants for Real-Time Integration to Company Codes*.
 - b) On the *Change View "Assignment of Variants for Real-Time Integration"* for CoCo screen, choose *Position*.
 - c) Enter GR## in the *Company Code* field.
 - d) Choose *Continue*.
 - e) Enter your new variant V## in the *Variant for Real-Time Integration* field.
 - f) Save the entries.

Real-Time Integration Using Postings

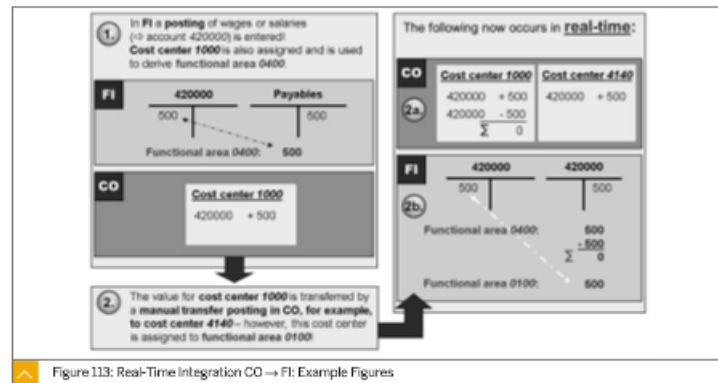


Figure 113: Real-Time Integration CO → FI: Example Figures

The figure demonstrates CO → FI real-time integration based on the *Functional Area* characteristic and *entity*.



Note:

The *profit center*, *segment*, and *business area* characteristics have been left out of the example for clarity.

The financial accounting document has the following features:

- For each CO document, the SAP ERP application makes postings in real time.
- The FI follow-on document has no clearing accounts. Clearing lines are only necessary if the activity in Management Accounting or CO (2) results in a change of a balancing entity.
- It is possible to navigate from the real-time follow-on Financial Accounting document to the Management Accounting document (2 or 2a) and vice versa.

Enter a Cost Center Reposting

Business Example

In addition, you need to display the controlling document and the account documents that were created in real time. You also need to log the CO and FI integration.

Perform customization, display the controlling document, and log the CO and FI integration.

- EUR 10,000 was debited from the wrong cost center. Now, a correction has to be made in CO. The amount has to be transfer posted from one cost center to another. Post the amount of EUR 10,000 from your cost center COCE## in company code GR## to the cost center of your instructor (usually COCE00) in the corresponding company code (usually GR00). Both company codes belong to controlling area 1000.
- Display the controlling document and the account documents created in real time.
- Log the CO and FI Integration. If the trace is active in real-time integration, you can confirm that real-time integration between CO and FI worked, the documents that were created, and the entities that were changed.

Enter a Cost Center Reposting

Business Example

In addition, you need to display the controlling document and the account documents that were created in real time. You also need to log the CO and FI integration.

Perform customization, display the controlling document, and log the CO and FI integration.

- EUR 10,000 was debited from the wrong cost center. Now, a correction has to be made in CO. The amount has to be transfer posted from one cost center to another. Post the amount of EUR 10,000 from your cost center COCE## in company code GR## to the cost center of your instructor (usually COCE00) in the corresponding company code (usually GR00). Both company codes belong to controlling area 1000.
 - On the *SAP Easy Access* screen, choose *Accounting* → *Controlling* → *Cost Center Accounting* → *Actual Postings* → *Manual Reposting of Costs* → *Enter*. Alternatively, enter transaction code `KB11N`.

- Enter the following data:

Field Name or Data Type	Value
Doc. Date and Postg Date	Current date
CCtr (old)	COCE##
Cost Elem.	470000
Amount	10000
Crcy	EUR
CCtr (new)	Instructor's cost center (usually COCE00)
Text	Repost costs

- Choose *Post* to save the entries.
- Display the controlling document and the account documents created in real time.
 - On the *SAP Easy Access* screen, choose *Accounting* → *Controlling* → *Cost Center Accounting* → *Actual Postings* → *Manual Reposting of Costs* → *Display*. Alternatively, enter transaction code `KB13N`.
 - Choose *Goto* → *FI/CO Documents*.
 - To review each document, select a document and choose *Display Document*.



Note:
A separate profit center document is also created as classic profit center accounting is still active in the system.

- Log the CO and FI Integration. If the trace is active in real-time integration, you can confirm that real-time integration between CO and FI worked, the documents that were created, and the entities that were changed.
 - On the *SAP Easy Access* screen, enter transaction code `FAGLCOFITRACEADMIN`.
 - Choose *Display Trace (Free Selection)*.
 - In the *Field Selection* dialog box, scroll down to select *Company Code (FI)* and adopt the data by choosing *Continue*.
 - In the *Determine Work Area: Entry* dialog box, enter `GR##` in the *Company Code (FI)* field.
 - Choose *Continue*.
The log produces an entry.
 - On the *Display View "Log of Real-Time Integration CO->FI": Details* screen, confirm and check the following:

Has the document been transferred?

Yes. _____

Which *Posting Mode* was used?

O Online Posting _____

**LESSON SUMMARY**

You should now be able to:

- Configure real-time integration
- Post documents using real-time integration

Unit 4**Learning Assessment**

1. Displaying a document in the entry view and the general ledger view is possible with new General Ledger Accounting.

Determine whether this statement is true or false.

☐ True

☐ False

2. You can assign different document splitting procedures to different client company codes.

Determine whether this statement is true or false.

☐ True

☐ False

3. Parameter IDs allow users to set default values for fields such as *Company code* and *Currency*.

Determine whether this statement is true or false.

☐ True

☐ False

4. The SAP ERP application provides basic default values for document entry. For example, the current date is proposed as the posting date. You are not allowed to change this proposed date.

Determine whether this statement is true or false.

☐ True

☐ False

5. Identify the criteria that usually differentiate between document change rules.

Choose the correct answers.

- ☐ A Open items
☐ B Account type
☐ C Asset class
☐ D Company code

6. Which of the following fields can be changed in the document header?

Choose the correct answers.

- ☐ A Reference number
☐ B Document header text
☐ C Document date
☐ D Currency exchange rate

7. Based on document change rules, users may only be able to change certain fields in the documents that they have already posted.

Determine whether this statement is true or false.

- ☐ True
☐ False

8. Name two possible ways for reversing a document in the SAP ERP Financials solution.

9. What are the two prerequisites for processing negative postings?

10. When you reverse a document, you must enter a reason for reversal.

Determine whether this statement is true or false.

- ☐ True
☐ False

11. You can reverse documents that contain cleared items.

Determine whether this statement is true or false.

- ☐ True
☐ False

12. You can reverse a document by using either normal reversal posting or negative posting.

Determine whether this statement is true or false.

- ☐ True
☐ False

13. The reversal reason determines whether the reversal date may differ from the original posting date.

Determine whether this statement is true or false.

- ☐ True
☐ False

14. You need to enter a percentage rate in the terms of payment to calculate _____.

Choose the correct answer.

- ☐ A Cash discount
☐ B Credit amount
☐ C Debit amount
☐ D Invoice discount

15. The baseline date is the starting date that the application uses to calculate the invoice due date.

Determine whether this statement is true or false.

- ☐ True
☐ False

16. In which of the following segments of a customer or vendor master record can you enter the terms of payment?

Choose the correct answers.

- ☐ A Company code segment
☐ B Client level segment
☐ C Sales area segment
☐ D Purchasing organization segment

17. Day limits enable date-specific terms of payment under a single terms of payment key.

Determine whether this statement is true or false.

- ☐ True
☐ False

18. The SAP ERP application only supports the net procedure for customers.

Determine whether this statement is true or false.

- ☐ True
☐ False

19. How many cash discount periods can be entered in the terms of payment?

Choose the correct answer.

- ☐ A 5
☐ B 3
☐ C 2
☐ D 8

20. The tax code is used for the tax calculation procedure required to perform taxation functions on the SAP system.

Determine whether this statement is true or false.

- ☐ True
☐ False

21. The taxes calculated by the system are usually posted via a separate line item to a special tax account.

Determine whether this statement is true or false.

- ☐ True
☐ False

22. The SAP ERP application links the documents belonging to one cross-company code transaction with a common cross-company code transaction number.

Determine whether this statement is true or false.

- ☐ True
☐ False

23. In the configuration of SAP ERP, you must assign clearing accounts to every possible combination of company codes.

Determine whether this statement is true or false.

- ☐ True
☐ False

24. Real-time integration affects the costs that are posted across company codes in cross-company code cost accounting.

Determine whether this statement is true or false.

- ☐ True
☐ False

25. The key date activation defines when (from which posting date of the CO document) CO-FI reconciliation is possible with real-time integration.

Determine whether this statement is true or false.

☐ True

☐ False

Learning Assessment - Answers

1. Displaying a document in the entry view and the general ledger view is possible with new General Ledger Accounting.

Determine whether this statement is true or false.

☒ True

☐ False

2. You can assign different document splitting procedures to different client company codes.

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- ☒ A Reference number
☒ B Document header text
☐ C Document date
☐ D Currency exchange rate

7. Based on document change rules, users may only be able to change certain fields in the documents that they have already posted.

Determine whether this statement is true or false.

- ☒ True
☐ False

8. Name two possible ways for reversing a document in the SAP ERP Financials solution.

(1) Normal reversal posting. (2) Reversal by negative posting.

9. What are the two prerequisites for processing negative postings?

(1) The company code must allow negative postings. (2) The reversal reason must be defined for negative reversal.

10. When you reverse a document, you must enter a reason for reversal.

Determine whether this statement is true or false.

- ☒ True
☐ False

11. You can reverse documents that contain cleared items.

Determine whether this statement is true or false.

- ☐ True
☒ False

12. You can reverse a document by using either normal reversal posting or negative posting.

Determine whether this statement is true or false.

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Choose the correct answer.

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20. The tax code is used for the tax calculation procedure required to perform taxation functions on the SAP system.

Determine whether this statement is true or false.

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Determine whether this statement is true or false.

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☐ False

22. The SAP ERP application links the documents belonging to one cross-company code transaction with a common cross-company code transaction number.

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Determine whether this statement is true or false.

- ☐ True
☒ False

24. Real-time integration affects the costs that are posted across company codes in cross-company code cost accounting.

Determine whether this statement is true or false.

☒ True

☐ False

25. The key date activation defines when (from which posting date of the CO document) CO-FI reconciliation is possible with real-time integration.

Determine whether this statement is true or false.

☒ True

☐ False

UNIT 5

Financial Document Clearing

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UNIT OBJECTIVES

- Post a financial document with clearing
- Execute account clearing
- Use the clearing program
- Perform Incoming and outgoing payments
- Reset clearing
- Configure tolerance groups
- Process payment differences
- Configure exchange rate differences

Performing Open Item Clearing

LESSON OVERVIEW

This lesson explains how to perform open item clearing.

Business Example

To complete a transaction, you must clear open items. The SAP ERP application provides two basic transactions for clearing; both are of interest to your company. For this reason, you require an understanding of the following:

- Posting with clearing
- Account clearing



LESSON OBJECTIVES

After completing this lesson, you will be able to:

- Post a financial document with clearing
- Execute account clearing
- Use the clearing program
- Perform incoming and outgoing payments
- Reset clearing

Open Items

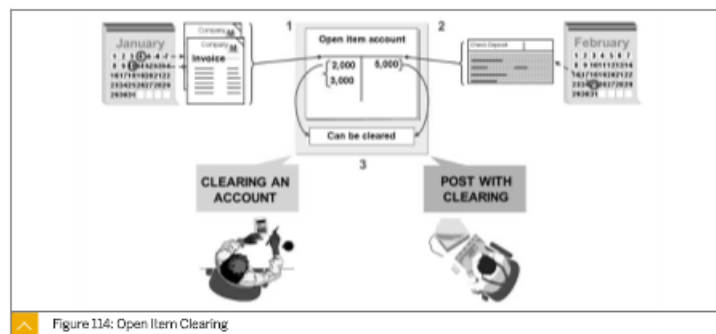


Figure 114: Open Item Clearing

Open items, such as invoices that have not been paid, are incomplete transactions.

To complete a transaction, you must clear it. A transaction is cleared when a clearing posting is carried out for an item or group of items, so that the resulting balance of the items is zero.

You cannot archive documents with open items. The documents stay in the SAP ERP application until all open items are cleared.

An example of posting with clearing is as follows:

1. An invoice is posted to a customer account. This invoice is regarded as an open item because at this point it is unpaid.
2. The customer pays the invoice and the payment is assigned to the open item.
3. The invoice is cleared with the payment and the resulting balance is zero.

In this clearing procedure, you manually select open items that balance to zero from an account. Examples of situations where you carry out clearing manually are as follows:

- For bank sub-accounts and clearing accounts
- For situations where you have agreed upon a debit memo procedure
- For refunds from a vendor

A clearing transaction always creates a clearing document.

Post with Clearing

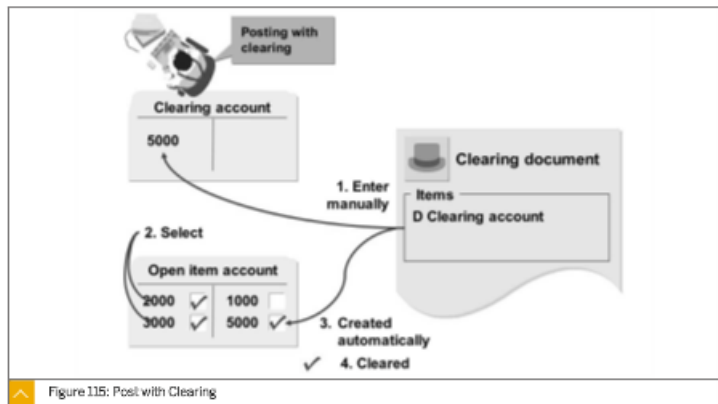


Figure 115: Post with Clearing

When using the post with clearing function, enter the clearing document amount and select the open items that require clearing. If the total amount of selected open items equals the amount of the clearing document, SAP ERP clears the open items by creating one or more clearing items. If the total amount of selected open items does not equal the amount of the clearing document, SAP ERP allows you to post the difference.

The following options are available for clearing open items:

- Clear several accounts and account types.
- Clear items in a particular currency.
- Post differences that result from assigning items to each other.
- Enter any number of additional line items (for example, bank charges).

A post with clearing transaction can be performed either manually or automatically using the automatic payment program and the automatic clearing program.

Account Clearing

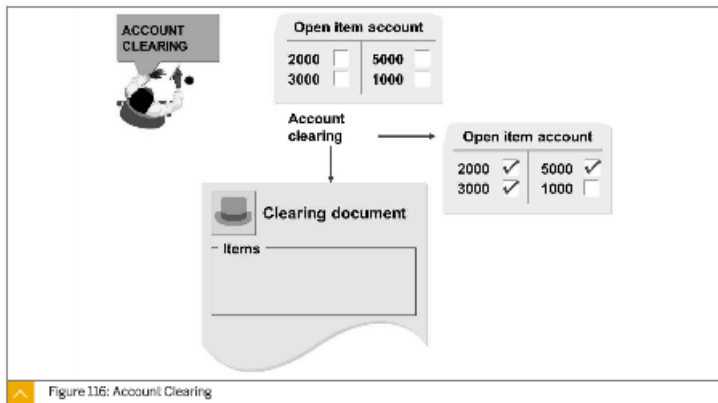


Figure 116: Account Clearing

Using the clear account function, the system closes the open items that have zero balance between them within an account. The SAP ERP application automatically marks these open items as cleared and creates a clearing document.

Each cleared item contains the following information:

- Clearing document number
- Clearing date

The clearing date can be either the current date or a date defined by the user.

The clear account function can be used on any account managed on an open item basis in the general ledger and the subledgers.

Unit 5

Exercise 27

Clear an Account

Business Example

Your customer has returned a faulty product they purchased from your company. You must post a credit memo to clear the original invoice posting. The SAP ERP Financials solution provides two transactions for clearing open items, account clearing and post with clearing. In this exercise you use the account clearing function.

In this exercise, when the values include ##, replace the characters with the number that your instructor assigned you.

1. Post a customer invoice and a credit memo for 5500 units of the local currency. When entering the customer invoice, change the proposed terms of payment key to 0001 (due immediately). Use tax code 10 (output tax (10%)), revenue account 800200, and profit center PR##.



Hint:

By default, all open items are activated for processing. You can deactivate them using any of the following methods:

- a) Double-click the amount of each item.
 - b) Choose *Select All* in the lower part of the screen and then choose *Deactivate Items* to deactivate all items.
 - c) Choose the *Editing Options* button.
 - d) Select the *Selected Items Initially Inactive* indicator so that all the items are deactivated the next time the business transaction is processed.
2. Create a credit memo with the same data as the previous step.
 3. Display the line items in your customer account.
 4. Clear the items with the credit memo that you created for the same amount as the customer invoice for 5500 units of the local currency.
 5. Check the line items in the customer account before and after clearing.

Clear an Account

Business Example

Your customer has returned a faulty product they purchased from your company. You must post a credit memo to clear the original invoice posting. The SAP ERP Financials solution provides two transactions for clearing open items, account clearing and post with clearing. In this exercise you use the account clearing function.

In this exercise, when the values include ##, replace the characters with the number that your instructor assigned you.

1. Post a customer invoice and a credit memo for 5500 units of the local currency. When entering the customer invoice, change the proposed terms of payment key to 0001 (due immediately). Use tax code 10 (output tax 10%), revenue account 800200, and profit center PR##.



Hint:

By default, all open items are activated for processing. You can deactivate them using any of the following methods:

- a) Double-click the amount of each item.
- b) Choose **Select All** in the lower part of the screen and then choose **Deactivate Items** to deactivate all items.
- c) Choose the **Editing Options** button.
- d) Select the **Selected Items Initially Inactive** indicator so that all the items are deactivated the next time the business transaction is processed.

- a) On the **SAP Easy Access** screen, choose **Accounting** → **Financial Accounting** → **Accounts Receivable** → **Document Entry** → **Invoice**. Alternatively, enter transaction code **FB70**.
- b) Enter the following values in the **Basic data** tab page:

Field Name or Data Type	Value
Basic Data	
Customer	Your customer
Invoice Date	Current date
Posting Date	Current date

Field Name or Data Type	Value
Amount	5500
Currency	Local currency
Calculate tax	✓
Tax code	10 (Output tax 10%)
Items	
G/L acct	800200
Amount in doc.curr.	5500
T..	10 (Output tax 10%)
Profit center	PR##

- c) In the **Payment** tab page, enter **Payt Terms** value **0001**.

- d) Choose **Document** → **Simulate**.

- e) Choose **Post**.

2. Create a credit memo with the same data as the previous step.

- a) On the **SAP Easy Access** screen, choose **Accounting** → **Financial Accounting** → **Accounts Receivable** → **Document Entry** → **Credit Memo**. Alternatively, enter transaction code **FB75**.

- b) Repeat sub-steps (b) to (e) from the previous step.

3. Display the line items in your customer account.

- a) On the **SAP Easy Access** screen, choose **Accounting** → **Financial Accounting** → **Accounts Receivable** → **Account** → **Display/Change Line Items**. Alternatively, enter transaction code **FBL5N**.

- b) Enter the following values:

Field Name or Data Type	Value
Customer account	Your customer
Company code	GR##
Line item selection	Select All Items

- c) Choose **Execute**.



Note:

The invoice for 5500 units and the credit memo are both open items.

4. Clear the items with the credit memo that you created for the same amount as the customer invoice for 5500 units of the local currency.

a) On the SAP Easy Access screen, choose *Accounting* → *Financial Accounting* → *Accounts Receivable* → *Account* → *Clear*. Alternatively, enter transaction code *F-32*.

- b) Enter the following values:

Field Name or Data Type	Value
Account	Your customer
Company Code	GR##

- c) Choose *Process Open Items*.



Hint:

By default, all open items are selected for processing. The following methods are used to deactivate each item (except the clearing invoice for 5500 units and the credit memo):

- Double-click each item amount (Gross).
- In the lower part of screen, choose *Select All*.
- Choose *Deactivate Items* to deactivate all items.
- Double-click the amounts of the individual items that you want to clear together.
- Choose *Editing Options* to process additional transactions.
- Choose the *Selected items initially inactive* indicator so that all items are deactivated for future transactions.
- Choose *Back*.

- d) To clear the cash discount for an item, enter the value **0** (zero) in the *CashDiscount* field.

- e) Choose *Post*.

5. Check the line items in the customer account before and after clearing.

a) On the SAP Easy Access screen, choose *Accounting* → *Financial Accounting* → *Accounts Receivable* → *Account* → *Display/Change Line Items*. Alternatively, enter transaction code *FBL5N*.

- b) Enter the following values:

Field Name or Data Type	Value
Customer account	Your customer
Company code	GR##

Field Name or Data Type	Value
Line item selection	Select All items

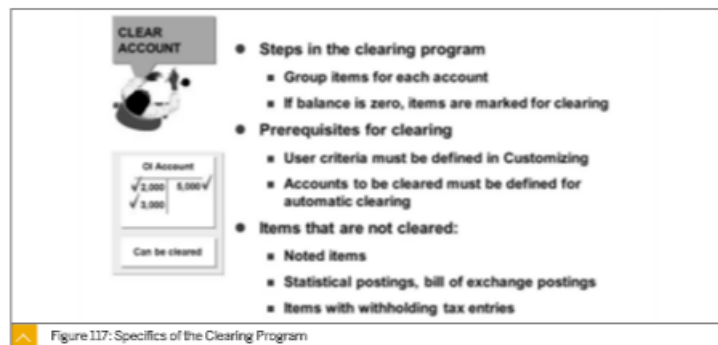
- c) Choose *Execute*.



Note:

Both the invoice for 5500 units and credit memo are now cleared items.

Clearing Program



You can use the automatic clearing program to clear open items for the following accounts:

- General ledger
- Subledger

The automatic clearing program groups items within an account that have the same entries in the following fields:

- Company code
- Account type
- Account number
- Reconciliation account number
- Currency
- Special general ledger indicator

The report also uses a maximum of five additional user criteria from the document header or line items to create the groups.

If the balance (in local currency) of items within a group is zero, the SAP ERP application automatically clears them and creates clearing documents. All accounts requiring automatic clearing must be defined in Customizing.

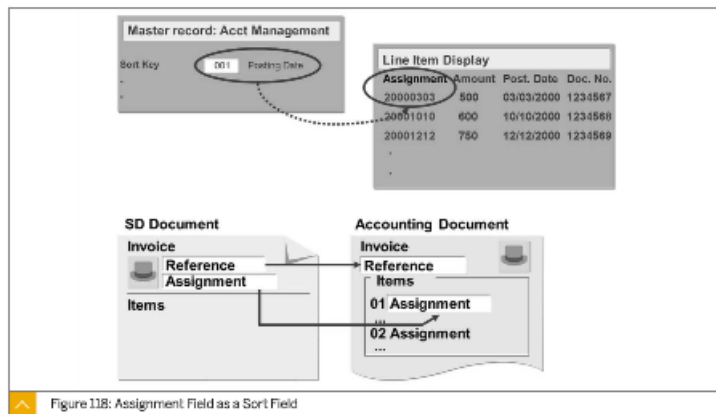
The automatic clearing program does not clear the following items:

- Noted items
- Statistical postings and certain special general ledger transactions relating to bills of exchange
- Down payments

Down payments can only be cleared if down payment clearing items of the same amount have already been posted.

- Items with withholding tax entries

Use of the Assignment Field as a Sort Field



The SAP ERP application automatically fills the assignment field for a line item when you post items according to the sort field entry in the master record.

The assignment field can be a combination of up to four fields with a maximum of 18 characters. For example, to display the document number with 10 characters and the posting date with six characters, the SAP ERP application includes them in the definition of the assignment field.

Similarly, if the sort key is set to the purchase order number in the business partner master record, then the SAP ERP application fills the assignment field in the business partner line item with the purchase order number.

If the sort key is set to the cost center in a general ledger master record, then the SAP ERP application fills the assignment field in the general ledger line item with the number of the cost center.

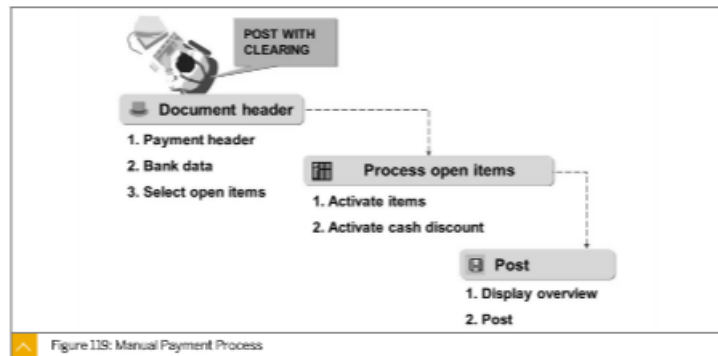
Line Item Sorting

Line item sorting in the line item display and clearing functions is based on the assignment field. For example, when an invoice is posted in sales order management, an accounting document is created in Financial Accounting (FI). The document has a document number that is different to the number of the sales order management invoice. You can use the reference and assignment in the sales order management billing document to trace the document in sales order management that the accounting document is based on. The reference and assignment in the accounting

document are copied from the reference and assignment in the sales order management billing document.

You can define which numbers (purchase order, order, delivery, or billing document number) are copied into the sales order management document as reference and assignment and then transferred to FI. You can then use these fields as selection criteria in FI.

Manual Payment Process



A manual payment is a transaction that clears an open item, such as an invoice. The manual payment assigns a clearing document manually.

An incoming payment, which is used in accounts receivable, clears an open debit amount. An outgoing payment, which is used in accounts payable, clears an open credit amount.

Document Header – Payment Header



Figure 120: Document Header – Payment Header

The data entered in the document header is similar to the data entered when posting invoices.

The document header consists of the following sections:

- The payment header
- Bank data
- Selection of open items

Enter the following information in the payment header section of the document header:

- The document date
- The document type, proposed by the SAP ERP application and based on the transaction called
- The company code, if no code is proposed
- The date specifications, including the document and posting dates and the posting period. The current date is the default document and posting date, and the posting period is derived from the posting date.
- The currency specifications, including the currency code, the exchange rate, and the date for currency translation. In the absence of a manually input exchange rate or translation date, the application uses the exchange rate from the exchange rate table on the posting date.
- Any references needed to identify the incoming payment, such as the reference document number, document header text, and clearing text fields.

Document Header – Bank Data



Figure 121: Document Header – Bank Data

Enter the following data in the bank data section of the document header:

- The general ledger (G/L) account number for incoming or outgoing payments
- The total payment amount
- The bank charges for services
The SAP ERP application automatically posts these charges to a special expense account.
- The value date
This date used to evaluate the position in cash management. It may be the current date, which is the default date in the system.
- The text description
This is an optional description of the item. Start the line with an asterisk (*) to enable the text to be printed on external correspondence too. You can also work with text templates to select an entry from a list of standard texts
- The assignment number
This is created by the SAP ERP application or entered manually.

The SAP ERP application references the following information when calculating post charges:

- Incoming payments
The application adds the bank charges to the payment amount to form the clearing amount.

- Outgoing payments

The application subtracts the bank charges from the payment amount to determine the clearing amount.

Document Header – Open Item Selection



Figure 122: Document Header – Open Item Selection

Enter the following open item selection data in the next section of the document header:

- Account and account type
You use the *account* and *account type* fields to determine the account that contains the open items. In this area, *account* refers to the account number of the business partner and the *account type* for this account. For the account type you can make your selection using the F4 help, for example, D and K.
- Normal open items and special general ledger transactions
You can select normal open items and special G/L transactions for processing.
- Payment advice note number
You can use the number of a payment advice note, which is either entered manually or created by the SAP ERP application, to select the open items.
- Other accounts
By specifying additional accounts, you can also select and clear items from other accounts.
- Additional selections
Use the *additional selections* to restrict the open items. You can use additional selection criteria defined in the configuration to select the open items. You can use the *distribute acc. to*

age or auto search functions to speed up the selection process. The items with most days in arrears are cleared first (or assigned) automatically and the system creates a payment on account for the residual amount.

Use *others* to access more selection options. If you only know the document numbers to which an incoming payment refers, but not the customer, you can select the open items without specifying the customer by using additional selections to select using document numbers. If an incoming payment refers to several invoices, you can enter additional customers from the menu path *Edit* → *Select More* after you have processed the open items.



Note:

The SAP ERP application automatically searches for a combination of open items whose total comes closest to the amount entered. If only part of the amount is found, you can either accept or reject the proposal in an additional dialog box.

Processing of Open Items



Doc #	DT	PK	Gross Amt.	Cash Disc. %
190000022	KR	31	4 456-	
190000098	KR	31	980-	20- 2%
190000099	KR	31	490-	10- 2%
170000043	KG	21	5 000	

No. of items	Amount Entered	1 000 000
Display item	Assigned	1 000 000-
	Difference Posting	
	Not Assigned	0

Figure 123: Processing of Open Items

The *Post Incoming Payments: Process open items* screen lists all of the unassigned open items. Unassigned open items can include payments, debit or credit memos, and invoices. Depending on the SAP ERP application settings, the status for all items can either be active or inactive.

You can post the document if the *Amount Entered* field is the same as the *Assigned* field.

The cash discount granted is determined by the terms of payment of the line item. The SAP ERP application calculates the assigned amount based on the cash discount. To change the cash discount, either overwrite the absolute cash discount or change the cash discount percentage rate. The discount must not exceed the set tolerance limits.

To check the document that you have entered, under *Document* → *Simulate*, display all of the items including those created automatically. If the debits and the credits match, you can post the completed document. If you subsequently discover that the document contains an error, reset the cleared items, reverse the document, and re-enter the original posting correctly.



To Process a Manual Payment

1. Enter data in the document header.
2. Select the open items to be cleared.
3. Save the transaction.

Unit 5

Exercise 28

Post with Clearing

Business Example

Customers pay open invoices to take advantage of cash discounts. For this reason, you need to know how to post an incoming payment with a cash discount.

1. You have received a payment of 213,400 units of the local currency from your customer to clear the open item of 220,000 units that you posted in the lesson Simple Documents in the SAP ERP Financials solution. If you did not grant a cash discount when you entered the invoice, manually enter 6,600 units cash discount. Use bank clearing account 113108.

Post with Clearing

Business Example

Customers pay open invoices to take advantage of cash discounts. For this reason, you need to know how to post an incoming payment with a cash discount.

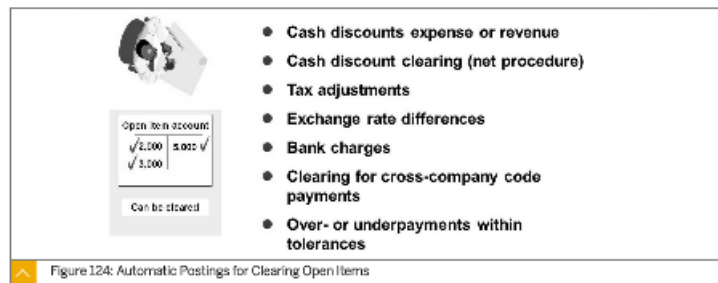
1. You have received a payment of 213,400 units of the local currency from your customer to clear the open item of 220,000 units that you posted in the lesson Simple Documents in the SAP ERP Financials solution. If you did not grant a cash discount when you entered the invoice, manually enter 6,600 units cash discount. Use bank clearing account 113108.
 - a) On the SAP Easy Access screen, choose *Accounting* → *Financial Accounting* -> *Accounts Receivable* -> *Document Entry* -> *Incoming Payments*. Alternatively, enter transaction code **FR-28**.
 - b) Enter the following values:

Field Name or Data Type	Value
Document Header	
Document Date	Current date
Type	DZ
Company Code	GR##
Posting Date	Current date
Currency	Local currency
Bank Data	
Account	113108
Amount	213400
Value Date	Current date
Open Item Selection	
Account	Your customer

- c) Choose *Process Open Items*.
 - d) Select the invoice for 220000 currency units and enter a cash discount of 6600 units.

- e) When the *Not assigned* value in the *Processing Status* area equals **0** (zero), choose *Document* → *Simulate*.
 - f) Choose *Post* to save the document.

Automatic Postings for Clearing Open Items

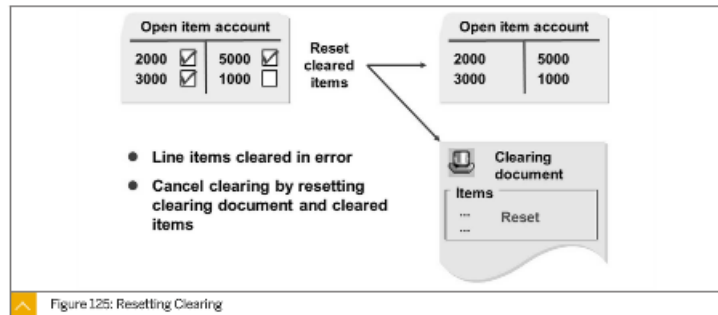


The SAP ERP application carries out automatic postings, such as tax adjustment, bank charges, and exchange rate differences, when clearing open items. You have already seen the configuration for most of these automatic postings in previous lessons.

You can enter bank charges when you enter the bank data. The SAP ERP application automatically posts the bank charges to the G/L account.

To perform manual cross-company code payments, assign a clearing transaction. A clearing transaction can be either an incoming payment or an outgoing payment. Assign the clearing transaction to a combination of the paying company code and the company code for which the payment is being made. Then, when you select the open items, the SAP ERP application displays the open items from each company code.

Reset of Clearing



You can reset clearing for individual documents. When you reset clearing, the SAP ERP application removes the clearing data from the line items.

The SAP ERP application logs the changes and displays them in the change documents. In accounts receivable, the application corrects the payment history and the credit limit, if applicable.

**LESSON SUMMARY**

You should now be able to:

- Post a financial document with clearing
- Execute account clearing
- Use the clearing program
- Perform incoming and outgoing payments
- Reset clearing

Unit 5

Lesson 2

Managing Payment Differences

LESSON OVERVIEW

This lesson explains the management of payment differences.

Business Example

Customers often pay invoices with deductions that exceed the tolerance limits of the company. For this reason, you require an understanding of the following:

- Posting payment differences
- Tolerance groups and their role for posting payment differences
- Posting partial and residual payments
- How to create and use reason codes for payment differences

**LESSON OBJECTIVES**

After completing this lesson, you will be able to:

- Configure tolerance groups
- Process payment differences

Tolerance Groups

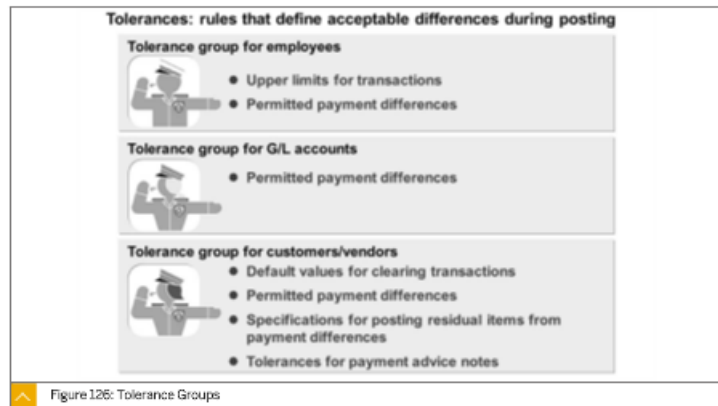


Figure 126: Tolerance Groups

In accounting, tolerances are divided into the following groups:

- Employee tolerance groups
- G/L account tolerance groups
- Customer or vendor tolerance groups

The employee tolerance group controls the following factors:

- Upper limits for posting transactions
- Permitted payment differences



Note:
See the lesson on posting authorizations for information on upper limits for posting transactions.

The G/L account tolerance groups control the permitted payment differences for automatic clearing procedures.

The customer or vendor tolerance groups provide specifications for the following procedures:

- Clearing transactions
- Handling permitted payment differences
- Posting residual items from payment differences

- Identifying tolerances for payment advice notes

Permitted Payment Differences

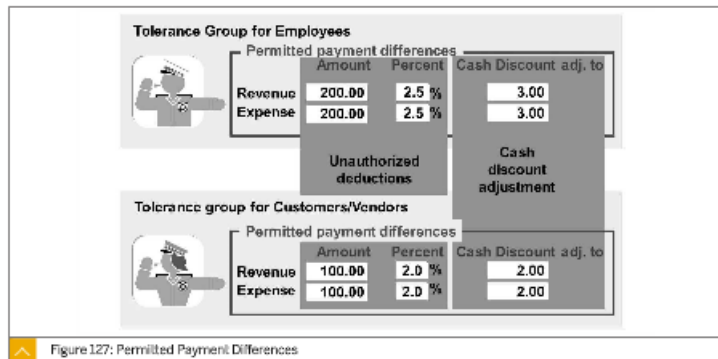


Figure 127: Permitted Payment Differences

Specifications for permitted payment differences are found in both G/L account and customer or vendor tolerance groups. These specifications control the automatic posting of cash discount adjustments and unauthorized customer deductions.

The SAP ERP application considers the entries in both groups during clearing. The payment difference must be within both tolerances to be handled automatically.

Consider the following example of the treatment of payment differences:

- A payment difference must be lower than 3.00 and 2.00 currency units to be written off automatically as a cash discount adjustment.
- A payment difference must be lower than 200.00 and 100.00 currency units. It must also be lower than 2.5% and 2.0% of the open amount. When both the conditions are true, then the payment difference can be written off automatically as an unauthorized deduction. The lower of the two tolerances always applies. For example, for an open amount of 1,000 currency units, an unauthorized customer deduction of 20 currency units applies. For an open amount of 100,000 currency units, an unauthorized customer deduction of 100 currency units applies.

The entries in the tolerance groups are always in the local currency.

Treatment of Payment Differences

Invoice(s)	1000	1000	1000
Incoming payment	968	967	949
Cash discount	30	30	30
Difference	2	3	21
Cash discount:	32	30	
Unauth. Customer deductions:	0	3	

Difference too large for clearing!

Figure 128: Payment Differences

A payment difference normally occurs during the clearing of an open item. The SAP ERP application then compares this difference to the tolerance groups of the employee and the customer or vendor.

If the payment difference is within tolerances, the difference is automatically posted as either cash discount adjustment or unauthorized deduction. Otherwise, the difference is processed manually.

Automatic Processing of Payment Differences

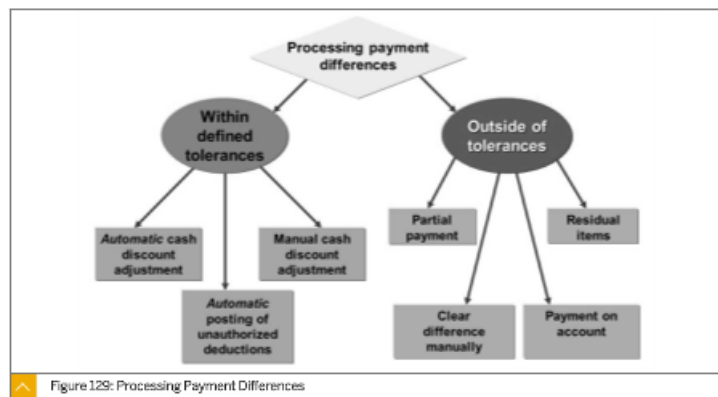


Figure 129: Processing Payment Differences

If the payment difference is immaterial, the SAP ERP application may process it automatically by performing the following steps:

- Adjusting the cash discount up to certain amounts
- Writing off the payment difference to a special account

You can define the limits within which a payment difference is considered to be immaterial in a tolerance group. Within the tolerance group for an employee, you can allow an adjustment of the cash discount within defined limits. This measure ensures that the employee is authorized to make the adjustment. When defining tolerance groups for employees, predefine the maximum cash discount percentage that an employee can grant for business partners in a line item. Predefining the cash discount percentage enables you to post the payment difference by adjusting the cash discount (when within the defined limits) or by posting to a separate expense or revenue account.

If you want to define different tolerances for employees, specify the amount limits for each employee group. If you have defined differing tolerance groups, you have to assign employees to a specific tolerance group by selecting the activity "assign users to tolerance group". This is where you enter the employees in the relevant group by giving special tolerances to a group so that the employees in this group are authorized to adjust the cash discount up to the limit prescribed in the tolerance group.

If the payment difference is beyond the tolerance limit, you must process the payment difference manually.

Partial and Residual Payments

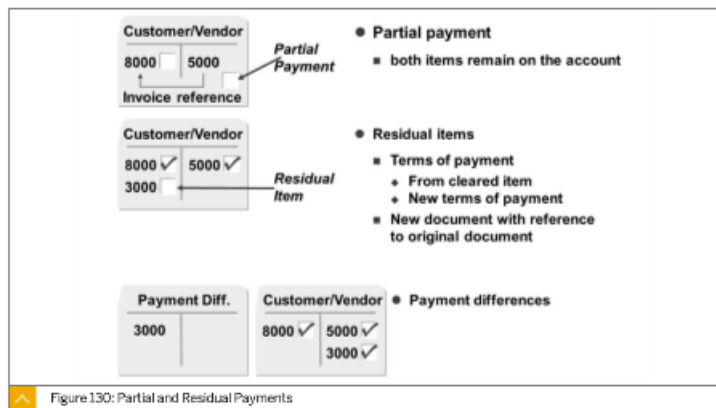


Figure 130: Partial and Residual Payments

If the payment difference is beyond the tolerance limit, you must manually process it.

You can use the following options to manually process the payment difference:

- Post the payment difference as a partial payment

All the documents remain in the account as open items.

- Post the payment difference as a residual item

Only the residual item remains in the account. The original document and the payment are cleared. The SAP ERP application creates a new document number with reference to the original documents.

- Post the payment difference to a different account

This is a different posting that uses reason codes and automatic determination.

- Write off the payment difference

This is manual account assignment.

The customer or vendor tolerance groups contain entries that control the residual items and specify the following conditions:

- Whether the terms of payment for a residual item are the same as the terms of the cleared item or whether the terms of payment are fixed.
- Whether a cash discount is only partially granted.
- Whether the residual item has a maximum dunning level or is printed separately, using a specific dunning key.

If you know the reason for a payment difference, you can enter a reason code.

Reason Codes



Code	Text	Corres.	Write off	Disputed
DDG	Damaged Goods Disputed	SAP01		X
DG	Damaged Goods	SAP01		
FR	Freight	SAP01		
MD	Misc. Deductions	SAP01	X	

Payment diff. Reason code		
Code	Debit	Credit
	800201	800201
MD	880200	880220

Figure 131: Reason Codes

You can use reason codes to describe the reason for the payment difference. To assign more than one reason code to a payment difference, choose *Distribute Difference*.

Reason codes can be assigned to the following items:

- Difference postings
- Partial payments
- Residual items

Reason codes can be used to analyze and post process payment differences.

Reason codes also have the following additional optional functions:

- Control of the type of payment notice sent to a customer
- Control of the account where a residual item is posted
- Automatic posting of a residual item to a specified G/L account
- Exclusion of disputed residual items from credit limit checks

Unit 5

Exercise 29

Manage Payment Differences

Business Example

Some of your customers only make partial payments of open invoices. These underpayments must be posted in the accounts receivable account.

Enter a partial payment, create a reason code for damaged goods, and post an incoming payment with a cash discount and a reason code.

1. A customer has cash flow problems and cannot pay an invoice in full.

As a basis for the incoming payment, post a customer invoice for 100,000 units of the local currency to your customer account. Choose the *Calculate Tax* option. Use the tax code 10 (output tax (course) 10%). Post to the revenue account 800200 and profit center PR01.

You receive an incoming payment of 40,000 units in the local currency from your customer (bank clearing account 1131008) for the invoice for 100,000 units of the local currency that you have just posted. Post the incoming payment as a partial payment to your customer account.

To check the postings you have made, display the line items of your customer.

2. Customers are reducing their payments because of goods damaged during transport. You want to record these amounts. You decide to create a reason code, *Goods damaged during transport Z##*, to write off this difference.
3. You have received a payment of 250000 units of the local currency from your customer and you must post this against the open item for 300000 units. Your customer is requesting a price reduction for the remaining amount because the goods were damaged in transit. Post the difference as a residual item using the reason code that you created, *Z##*. (Bank clearing account 113108).

Manage Payment Differences

Business Example

Some of your customers only make partial payments of open invoices. These underpayments must be posted in the accounts receivable account.

Enter a partial payment, create a reason code for damaged goods, and post an incoming payment with a cash discount and a reason code.

1. A customer has cash flow problems and cannot pay an invoice in full.

As a basis for the incoming payment, post a customer invoice for 100,000 units of the local currency to your customer account. Choose the *Calculate Tax* option. Use the tax code 10 (output tax (course) 10%). Post to the revenue account 800200 and profit center PR01.

You receive an incoming payment of 40,000 units in the local currency from your customer (bank clearing account 1131008) for the invoice for 100,000 units of the local currency that you have just posted. Post the incoming payment as a partial payment to your customer account.

To check the postings you have made, display the line items of your customer.

- a) On the SAP Easy Access screen, choose *Accounting* → *Financial Accounting* → *Accounts Receivable* → *Document Entry* → *Invoice*. Alternatively, enter transaction code FB70.

- b) Enter the following values:

Field Name or Data Type	Value
Customer	Your customer
Invoice date	Current date
Posting Date	Current date
Amount	100000
Calculate tax	✓
Tax code	10 (Output tax 10%)
Company Code	GR##
Items	
G/L acct	800200
Amount in doc. curr.	100000
T..	10

Field Name or Data Type	Value
Profit center	PR##

- c) Choose *Post* and choose *Back*.
- d) On the SAP Easy Access screen, choose *Accounting* → *Financial Accounting* → *Accounts Receivable* → *Document Entry* → *Incoming Payments*. Alternatively, enter transaction code F-28.
- e) Enter the following values:

Field Name or Data Type	Values
Document Header	
Document Date	Current date
Company Code	GR##
Posting Date	Current date
Currency	Local currency
Bank Data	
Account	113108
Amount	40000
Value Date	Current date
Open Item Selection	
Account	Your customer

- f) Choose *Process Open Items*.
- g) Choose the open item for 100000 units.
- h) Choose the *Partial Pmt* tab page.
- i) Double-click the amount in the *Payment Amount* field to update the value with the partial payment amount.
- j) Choose *Post* and choose *Back*.
- k) On the SAP Easy Access screen, choose *Accounting* → *Financial Accounting* → *Accounts Receivable* → *Account* → *Display/Change Line Items*. Alternatively, enter transaction code FBLSN.

- l) Enter the following values:

Field Name or Data Type	Value
Customer account	Your customer

Field Name or Data Type	Value
Company code	GR##
Line item selection	
Open items	Select
Open at key date	Current date

m) Choose *Execute*.

The partial payment and the assigned invoice remain open items.

n) Double-click the partial payment and display the invoice reference in the *Payment for* field.

2. Customers are reducing their payments because of goods damaged during transport. You want to record these amounts. You decide to create a reason code, *Goods damaged during transport Z##*, to write off this difference.

a) In Customizing, choose *Financial Accounting (New) → Accounts Receivable and Accounts Payable → Business Transactions → Incoming Payments → Incoming Payments Global Settings → Overpayment/Underpayment → Define Reason Codes*.

b) Enter **GR##** as the company code.

c) Choose *Enter*.

d) Choose *Edit → New Entries*.

e) Enter the following values:

Field Name or Data Type	Values
RCd	Z##
Short text	Damage in transit
Long text	Goods damaged in transit
Column C (payment differences charged off through a separate G/L account)	Do not select checkbox

f) Choose *Save*.

3. You have received a payment of 250000 units of the local currency from your customer and you must post this against the open item for 300000 units. Your customer is requesting a price reduction for the remaining amount because the goods were damaged in transit. Post the difference as a residual item using the reason code that you created, *Z##*. (Bank clearing account 113108).

a) View incoming payments with differences. On the *SAP Easy Access* screen, choose *Accounting → Financial Accounting → Accounts Receivable → Document Entry → Incoming Payments*. Alternatively, enter transaction code *FB-28*.

b) Enter the following values:

Field Name or Data Type	Value
Document Header	
Document Date	Current date
Company Code	GR##
Posting Date	Current date
Currency	Local currency
Bank Data	
Account	113108
Amount	250000
Value Date	Current date
Open Item Selection	
Account	Your customer

c) Choose *Process Open Items*.

d) Select the open items for 300000 units (*Document Type DR*).

e) Delete the *CashDiscount* amount or enter **0**. Choose *Enter*.

f) To create a residual item, choose the *Res.Items* tab page.

g) Enter the payment amount by entering the following values:

Field Name or Data Type	Value
Residual Items	50000
RCd	Z##

h) Choose *Document → Simulate*.

The residual item is written off using your reason code *Z##*.

i) To check the document, double-click a line item to display or change data.

j) Choose *Post* to enter the document.

Record the document number.

**Note:**

You have performed the following tasks:

- Created a write-off reason code.
- Posted an incoming payment with a difference.
- Created a residual item.
- Assigned the write-off reason code.

**LESSON SUMMARY**

You should now be able to:

- Configure tolerance groups
- Process payment differences

Managing Exchange Rate Differences

LESSON OVERVIEW

This lesson explains how to deal with the differences in exchange rates in SAP ERP.

Business Example

Your company has a large number of vendors based abroad. The accounting department needs to know how to handle the flow of realized exchange rate differences into accounting. For this reason, you require an understanding of how SAP ERP handles exchange rate differences.

LESSON OBJECTIVES

After completing this lesson, you will be able to:

- Configure exchange rate differences

Exchange Rate Differences

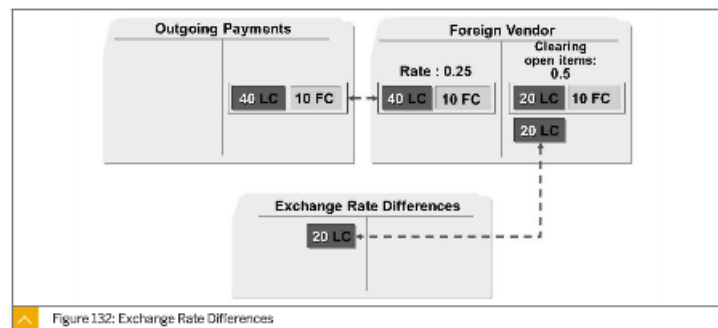


Figure 132: Exchange Rate Differences

When open items are cleared in a foreign currency, exchange rate differences may occur. This happens due to fluctuations in exchange rates. The SAP ERP application automatically posts these exchange rate differences to the revenue or expense account as realized gains or losses. You define the accounts for posting these differences when configuring the SAP ERP application. The SAP ERP application stores the realized difference in the cleared line item.

Exchange rate differences are also posted when open items are evaluated for financial statements. The exchange rate profit or loss is posted to a separate expense or revenue account for exchange rate differences as an offsetting posting.

When clearing an open item that has already been evaluated, the SAP ERP application reverses the balance sheet correction account and then posts the remaining exchange rate difference to the account for realized exchange rate differences.

Account Determination

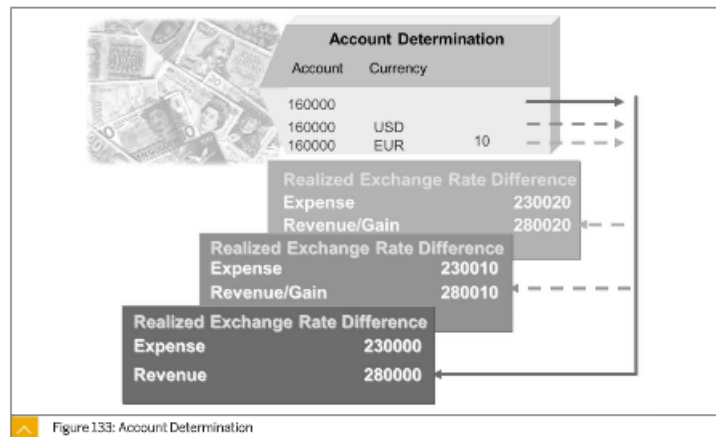


Figure 133: Account Determination

You must assign a revenue or expense account to all reconciliation accounts and all G/L accounts with open item transactions in any foreign currency. You must assign these accounts for realized losses and gains.

You can assign one gain or loss account to the following currencies and currency types:

- All currencies and currency types
- Per currency and currency type
- Per currency
- Per currency type

LESSON SUMMARY

You should now be able to:

- Configure exchange rate differences

Learning Assessment

1. An example of an open item is an incomplete business transaction, such as an invoice that has not been paid.

Determine whether this statement is true or false.

☐ True

☐ False

2. A clearing transaction always creates a clearing document.

Determine whether this statement is true or false.

☐ True

☐ False

3. The Clear Account transaction can be performed manually or automatically using the clearing program.

Determine whether this statement is true or false.

☐ True

☐ False

4. It is possible to archive documents that have open items.

Determine whether this statement is true or false.

☐ True

☐ False

5. Cleared items contain which of the following pieces of information?

Choose the correct answers.

- ☐ A Clearing document number
☐ B Due date
☐ C Clearing date
☐ D Archival information

6. With the automatic clearing program, a user can clear open items for which of the following items?

Choose the correct answers.

- ☐ A General ledger
☐ B Currency
☐ C Special general ledger indicator
☐ D Subledger accounts

7. When you perform a manual payment process, the cash discount amount is overwritten.

Determine whether this statement is true or false.

- ☐ True
☐ False

8. The assignment field can be a combination of up to six fields with a maximum of 10 characters.

Determine whether this statement is true or false.

- ☐ True
☐ False

9. When you reset clearing, the SAP ERP application removes the clearing data from the line items.

Determine whether this statement is true or false.

- ☐ True
☐ False

10. Identify the three types of tolerances in accounting.

Choose the correct answers.

- ☐ A Employee tolerance groups
☐ B G/L account tolerance groups
☐ C Customer/vendor tolerance groups
☐ D Special account tolerance groups

11. If the payment difference is too high to be immaterial, you must manually process it.

Determine whether this statement is true or false.

- ☐ True
☐ False

12. You must assign a revenue or expense account to all reconciliation accounts and all general ledger accounts with open item transactions in foreign currency.

Determine whether this statement is true or false.

- ☐ True
☐ False

Learning Assessment - Answers

1. An example of an open item is an incomplete business transaction, such as an invoice that has not been paid.

Determine whether this statement is true or false.

- ☒ True
☐ False

2. A clearing transaction always creates a clearing document.

Determine whether this statement is true or false.

- ☒ True
☐ False

3. The Clear Account transaction can be performed manually or automatically using the clearing program.

Determine whether this statement is true or false.

- ☒ True
☐ False

4. It is possible to archive documents that have open items.

Determine whether this statement is true or false.

- ☐ True
☒ False

5. Cleared items contain which of the following pieces of information?

Choose the correct answers.

- ☒ A Clearing document number
☐ B Due date
☒ C Clearing date
☐ D Archival information

6. With the automatic clearing program, a user can clear open items for which of the following items?

Choose the correct answers.

- ☒ A General ledger
☐ B Currency
☐ C Special general ledger indicator
☒ D Subledger accounts

7. When you perform a manual payment process, the cash discount amount is overwritten.

Determine whether this statement is true or false.

- ☒ True
☐ False

8. The assignment field can be a combination of up to six fields with a maximum of 10 characters.

Determine whether this statement is true or false.

- ☐ True
☒ False

9. When you reset clearing, the SAP ERP application removes the clearing data from the line items.

Determine whether this statement is true or false.

☒ True

☐ False

10. Identify the three types of tolerances in accounting.

Choose the correct answers.

☒ A Employee tolerance groups

☒ B G/L account tolerance groups

☒ C Customer/vendor tolerance groups

☐ D Special account tolerance groups

11. If the payment difference is too high to be immaterial, you must manually process it.

Determine whether this statement is true or false.

☒ True

☐ False

12. You must assign a revenue or expense account to all reconciliation accounts and all general ledger accounts with open item transactions in foreign currency.

Determine whether this statement is true or false.

☒ True

☐ False

UNIT 6

SAP Simple Finance Add-on for SAP Business Suite powered by SAP HANA®

Lesson 1

Outlining the Benefits of the SAP Simple Finance Add-On

362

UNIT OBJECTIVES

- Outline the benefits of the SAP Simple Finance add-on

Outlining the Benefits of the SAP Simple Finance Add-On

LESSON OVERVIEW

This lesson provides an overview of the SAP Simple Finance add-on for SAP Business Suite powered by SAP HANA 1.0. In this lesson, you learn to identify on a high level the SAP HANA application benefits. In addition, you learn to outline the high level requirements for migration to the SAP Simple Finance add-on.

Business Example

You are interested in the new SAP HANA technology, especially as it refers to the new Financials offerings from SAP. However, you are still unclear as to what exactly the offerings include, what infrastructure is involved, and also the general terminology used.

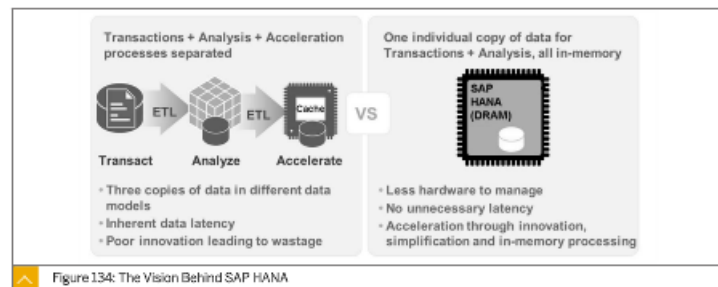
You are particularly interested in identifying what benefits you can gain from implementing the SAP Simple Finance add-on for SAP Business Suite powered by SAP HANA 1.0 in your existing SAP ERP system.

LESSON OBJECTIVES

After completing this lesson, you will be able to:

- Outline the benefits of the SAP Simple Finance add-on

Benefits of the SAP HANA Application

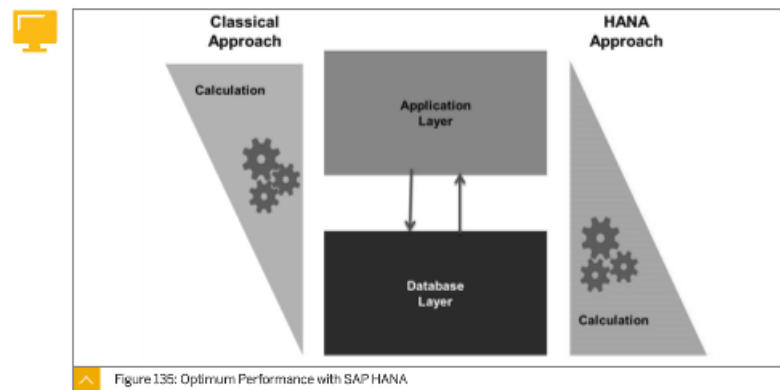


The vision behind SAP HANA is to create a common database approach for Online Transaction Processing (OLTP) and Online Analytical Processing (OLAP), using an in-memory column database.

Classic database approaches use a transaction layer, an analysis layer, and an acceleration layer, that lead to the creation of silos and separate processes. You have three copies of data in different data models, with latent issues that may give rise to further reconciliation effort. These data models use inefficient, decades old technology.

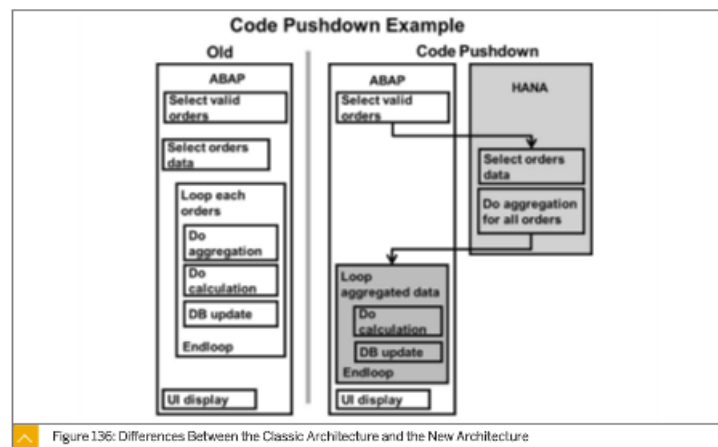
With SAP HANA, however, you move to one individual copy of data for both transaction and analysis, all in-memory. This eliminates all unnecessary complexity and latency, and requires less hardware for overall management. It leads to acceleration in processes and analysis, through innovation, simplification, and in-memory technology.

Optimum Performance with SAP HANA

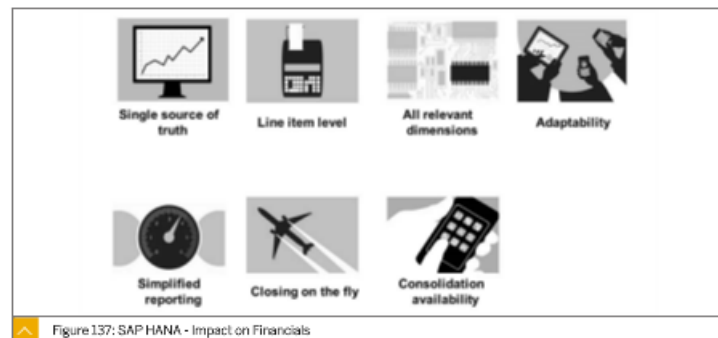


In order to get optimum performance for SAP with HANA, there is a shift in paradigm for developers. Developers have to leave the classic approach of executing calculations on the application layer and push that down to the database layer.

Differences Between the Classic Architecture and the New Architecture



The Impact of SAP HANA on Financials



SAP HANA makes financials simpler and faster. The following benefits are available with the SAP HANA platform:

- Single source of truth - there is one source for both Financial Accounting and Management Accounting data.

- Line item level - It is based on the highest granularity of detail, and is not limited by predefined totals or pre-configured indices.
- All relevant dimensions - It reports all relevant dimensions on the line item, making them available for analysis on the fly in real time.
- Adaptability - It is easy to adapt and add customer-specific information to the line items, without impacting performance.
- Simplified reporting - It is quick and flexible, with a user-friendly interface.
- Closing on the fly - With no batch processes, it reduces the month end closing process and postings, while also allowing for intra-month simulations.
- Consolidation availability - Consolidation methods are available where needed, when other external systems are feeding the central ledger. The consolidation can now be based on a single source of truth, the line item from each of your company code. No data replication is necessary, as the base of the data is the line item.

Benefits of the SAP Simple Finance Add-On

SAP focuses on providing end-to-end solutions based on the SAP HANA platform, addressing the business challenges of chief financial officers and their teams.

For example, the installation of the SAP Simple Finance add-on for SAP HANA is for customers who do not want to move to the cloud yet, but still want the same business benefits. This is possible by leveraging the SAP Simple Finance add-on on top of the Suite on HANA installation they are using on premise already.

The benefits of the SAP Simple Finance add-on are as follows:

- It is based on SAP Business Suite powered by SAP HANA.
- It contains new HANA-based Accounting and Cash Management, plus enhanced integration between ERP and Business Process and Consolidation (BPC).
- It enhances the Finance solutions.

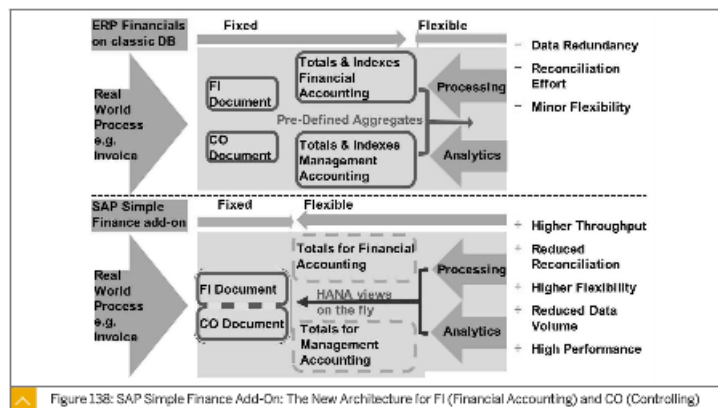


Figure 138: SAP Simple Finance Add-On: The New Architecture for FI (Financial Accounting) and CO (Controlling)

Up to now, with the classic logic, the line items between Financial Accounting (FI) and Controlling (CO) have been linked to each other only on header level. This has the following adverse effects:

- A high reconciliation effort:
 - Reconciling documents of different granularity is very difficult; for example, in cases where payroll records have more FI items than CO items.
 - Reporting and reconciliation across financial applications is difficult, especially between FI and Profitability Analysis (CO-PA).
- No overall reporting:
 - Bringing together the legal view with details of responsibility and/or market segments at a glance is not available.

SAP Simple Finance Add-On: Extra Dimensions

With the SAP Simple Finance add-on for SAP Business Suite powered by HANA, SAP offers a new architecture for FI and CO. It provides additional dimensions that lead to the following:



- Reduced reconciliation effort:
 - Using the account as leading dimension for both FI and CO views
 - Adding dimensions in FI: company code, business area, segment, profit center, and so on
 - Adding dimensions in CO: cost center, order, work breakdown structure (WBS) element, product, customer, region, and so on



- Higher flexibility and performance, with agile reporting:

- Creating a one-document view through a logical link between the FI line item (BSEG) and the CO line item (COEP).
- Allowing drill-down from aggregate profit and loss (P&L) statements to detailed line items by customer, product, or region.
- Offering detailed querying options across all spend categories.
- Providing line item documents journal entry and links to original documents; for example, sales transaction, material movement, and so on.
- Allowing selection from around four hundred fields using combined line item documents, through the speed of SAP HANA.

The SAP Simple Finance add-on offers modern user interfaces, cockpits and integration of business intelligence (BI) in SAP ERP to increase the productivity of the departments. The processes in internal and external accounting are further harmonized, while closing and reporting activities are simplified and accelerated. All these benefits, in turn, lower the total costs of finance.

Migration Requirements

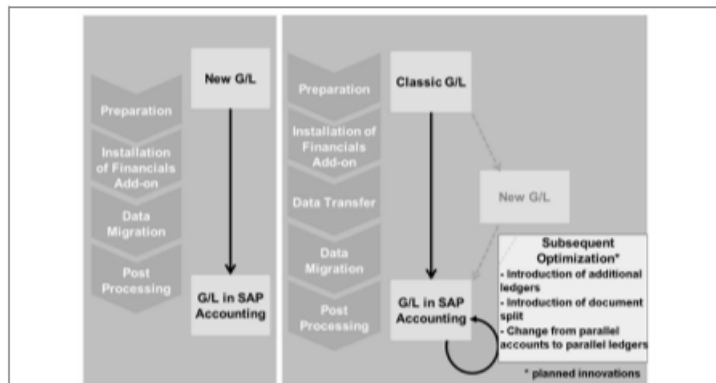


Figure 139: Migration from Classic G/L to New G/L

There are two migration paths: starting from classic G/L or starting from new G/L. Essentially, starting from new G/L is a little simpler. You have a preparation phase, an installation phase (which is an administrative task), a data migration phase, and a post-processing phase.

When moving from classic G/L, after installation, there is an added data transfer phase with a technical migration to new G/L. After this technical migration, there are subsequent optimizations that you can introduce into your system, such as additional ledgers and documents splitting.

Migration to the SAP Simple Finance Add-On from a G/L Perspective



- Migration to the G/L in SAP Accounting is fast and easy:
 - Duration and effort for the migration is small. It can be executed at any period end.
 - It is supported by a migration guide and monitor. There is no required SAP migration service.
 - Changes to coding blocks, external interfaces, security, and reporting are optional.
- The new G/L is not a prerequisite for an implementation of the G/L in SAP Accounting:
 - Both customers with the classic G/L or the new G/L can implement SAP Accounting.
- The G/L in SAP Accounting is very similar to the new G/L in SAP ERP:
 - It provides the same capabilities as new G/L and leverages its data structures.
 - It is further optimized for SAP HANA; for example, better reporting, convergence with CO, and no totals tables.



Note:

When migrating from classic G/L, the following should be taken into consideration:

- As part of the migration, classic G/L data is automatically transferred to the new data structures.
- Existing Profit Center Accounting (EC-PCA) and Special Purpose Ledger (FI-SL) functions and features can remain in place.
- Subsequent optimization is a recommended later option; for example, the adoption of parallel ledger or document splitting functions.
- Customers already running a migration project to new G/L in SAP ERP (with a planned go live date in 2015) should continue this project.

For more information, see the following documentation resources:

Table 6: Related SAP Links

Where	What	Link
SAP Service Marketplace	Hybrid Scenarios	http://service.sap.com/public/hybrid
SAP Help	Help Page for SAP Simple Finance add-On for SAP Business Suite powered by SAP HANA	http://help.sap.com/sfin100

Where	What	Link
SAP Service Marketplace	Administrator's Guide for SAP Simple Finance Add-On 1.0	https://websmp104.sap-ag.de/erp-inst
SAP Service Marketplace	SAP Note 1976487 Smart Financials Package 1.0: Information on the adjustment of customer-specific programs in line with simplified data model of Smart Financials	http://service.sap.com/sap/support/notes/1976487



LESSON SUMMARY

You should now be able to:

- Outline the benefits of the SAP Simple Finance add-on

Learning Assessment

1. Which of the following is a prerequisite for migrating to the SAP Simple Finance add-on?

Choose the correct answer.

- ☐ A The ERP system must be on the HANA database.
- ☐ B New G/L Accounting must be active.
- ☐ C The year-end activities must be completed.
- ☐ D The SAP migration service must be used.

2. What are the business benefits of the SAP Simple Finance add-on?

Choose the correct answers.

- ☐ A Reduced system complexity
- ☐ B Single source of truth on the line item level
- ☐ C Automatic update of custom applications to HANA standards
- ☐ D Overall reporting across Financials applications

Learning Assessment - Answers

1. Which of the following is a prerequisite for migrating to the SAP Simple Finance add-on?

Choose the correct answer.

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